
ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

LA SALLE SCHOOL

INSTALLMENT SALE AGREEMENT

DATED AS OF DECEMBER 1, 2002

CERTAIN RIGHTS OF ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") UNDER THIS INSTALLMENT SALE AGREEMENT, AND CERTAIN MONEYS DUE AND TO BECOME DUE TO THE ISSUER HEREUNDER HAVE BEEN ASSIGNED TO THE TROY SAVINGS BANK (THE "HOLDER") PURSUANT TO A PLEDGE AND ASSIGNMENT DATED AS OF DECEMBER 1, 2002 FROM THE ISSUER TO THE HOLDER.

THIS INSTALLMENT SALE AGREEMENT CONSTITUTES A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK.



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Sale Agreement and is for convenience of reference only.)

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT dated as of December 1, 2002 (the "Installment Sale Agreement") by and between ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having an office for the transaction of business located at 112 State Street, Room 1116, Albany, New York 12207 (the "Issuer"), and LA SALLE SCHOOL, a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 391 Western Avenue, Albany, New York (the "Institution");

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic facility purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities and 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 mortgage and pledge any or all of its facilities, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 178 of the Laws of 1975 of the State, as amended (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Issuer, by resolution adopted on September 4, 2002 (the "Preliminary Inducement Resolution"), determined to issue its revenue bonds for the purpose of financing a portion of the cost of a project (the "Initial 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; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real estate transfer taxes and mortgage recording taxes (collectively with the Bond, the "Financial Assistance"); and (D) the sale of the Initial Project Facility to La Salle School, a not-for-profit corporation (the "Institution"); and

WHEREAS, pursuant to the authorization contained in the Preliminary Inducement Resolution, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Initial Project and the financial assistance being contemplated by the Issuer with respect to the Initial Project (the "Public Hearing") to be mailed to the chief executive officer of the county and of each city, town, village and school district in which the Initial Project is to be located on September 12, 2002, (B) caused notice of the Public Hearing to be posted on September 12, 2002 on a bulletin board located on the first floor of 112 State Street in the City of Albany, Albany County, New York, and on a bulletin board in the Albany County Courthouse located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on September 16, 2002 in the Albany Times Union, a newspaper of general circulation available to residents of the City of Albany, (D) conducted the Public Hearing on October 17, 2002 at 4:30 o'clock p.m., local time in the George E. Hanner Chapel/Cultural Center of the Institution located at 391 Western Avenue in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at said public hearing and distributed same to the members of the Issuer and to the County Executive of Albany County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Issuer on November 6, 2002 (the "SEQR Resolution"), the Issuer (A) determined that the Initial Project constituted a "Type II action" under SEQRA, (B) determined that the Initial Project will not have a "significant effect on the environment" and therefore that an environmental impact statement is not required to be prepared with respect to the Project and (C) authorized the issuance of a "negative declaration" with respect to the Project (as said quoted terms are used in SEQRA); and

WHEREAS, by resolution adopted by the members of the Issuer on November 6, 2002 (the "Final Inducement Resolution"), the Issuer determined, following a review of the Report, to proceed with the Project; and

WHEREAS, by certificate executed by the County Executive on October 25, 2002 (the "Public Approval"), the County Executive approved the issuance of the Bond by the Issuer for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, by resolution adopted by members of the Issuer on December 4, 2002 (the "Bond Resolution"), the Issuer determined to (A) issue a bond in the principal amount of \$3,500,000 (the "Bond"), (B) to grant the balance of the Financial Assistance and (C) to enter into various documents related to the issuance of the Bond (the "Financing Documents", including an installment sale agreement dated as of December 1, 2002 (the "Installment Sale Agreement") between the Issuer and the Institution, pursuant to which Installment Sale Agreement, (1) the Institution will agree (a) to cause the Project (defined below) to be undertaken and completed, (b) as agent of the Issuer, to undertake and complete the Project (defined below), (c) to purchase the Project Facility (defined below) from the Issuer, and (d) to make certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Project Facility (defined below) and (2) the Issuer will agree to sell the Project Facility (defined below) to the Institution; and

WHEREAS, the Bond is to be issued under the Bond Resolution and a bond purchase and building loan agreement dated as of December 1, 2002 (the "Bond Purchase Agreement") by and among the Issuer, the Institution and The Troy Savings Bank, as original purchaser of the Bond (the "Holder") and as disbursing agent in connection therewith (the "Disbursing Agent"). Pursuant to the Bond Purchase Agreement, the Disbursing Agent will disburse the proceeds of the Bond to the Institution from time to time to pay the costs of the Project, but only upon satisfaction of the requirements set forth in the Installment Sale Agreement and the Bond Purchase Agreement for making such disbursements; and

WHEREAS, simultaneously with the issuance of the Bond, the Institution will execute and deliver (A) a lease to issuer dated as of December 1, 2002 (the "Underlying Lease") by and between the Institution, as landlord and the Issuer, as tenant, pursuant to which the Institution has granted the Issuer a leasehold interest in the Project Facility for the purpose of undertaking and completing the Project, and (B) a bill of sale dated as of December 1, 2002 (the "Bill of Sale to Issuer") from the Institution to the Issuer, pursuant to which the Institution will convey to the Issuer its interest in the portion of the Project Facility constituting fixtures and other personal property; and

WHEREAS, to secure the Bond, the Issuer will execute and deliver to the Holder a pledge and assignment dated as of December 1, 2002 (the "Pledge and Assignment"), which Pledge and Assignment assigns to the Holder certain of the Issuer's rights under the Installment Sale Agreement. Pursuant to the Pledge and Assignment, installment purchase payments made by the Institution under the Installment Sale Agreement are to be paid directly to the Holder; and

WHEREAS, to further secure the Bond, the Institution and the Issuer will execute and deliver to the Holder (A) a mortgage dated as of December 1, 2002 (the "Mortgage"), which Mortgage grants to the Holder a lien on and security interest in the Land and Facility, and (B) an assignment of leases and rents dated as of December 1, 2002 (the "Assignment of Rents"), which Assignment of Rents assigns to the Holder all interest of the Issuer and the Institution in all leases affecting the Project Facility and the rents payable thereunder; and

WHEREAS, the (A) Institution's obligation (1) to make all installment purchase payments under the Installment Sale Agreement and (2) to perform all obligations related thereto and (B) Issuer's obligation to repay the Bond will be further secured by a guaranty dated as of December 1, 2002 (the "Guaranty") from the Institution to the Holder; and

WHEREAS, the (A) Institution's obligation (1) to make all installment purchase payments under the Installment Sale Agreement and (2) to perform all obligations related thereto and (B) Issuer's obligation to repay the Bond will be further secured by a limited guaranty dated as of December 1, 2002 (the "Bank Guaranty") from The La Salle School Foundation (the "Guarantor") to the Holder to remain in effect until such time as the outstanding principal balance on the Bond has been reduced to \$2,500,000, which Bank Guaranty shall be collateralized by cash or liquid securities of the Guarantor in the amount of \$1,000,000 until such time as the higher interest expense associated with the Bond is reflected in the State reimbursement rate received by the Institution; and

WHEREAS, since the Institution intends to file for an exemption under Section 420 of the Real Property Tax Law of the State of New York (the "Real Property Tax Law") with respect to the Project, ~~no~~ New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Issuer in order for the Issuer to obtain a real property tax exemption with respect to the Project under Section 412-a of the Real Property Tax Law) (a "Real Property Tax Exemption Form") will be filed by the Issuer with respect to the Project; and

WHEREAS, the providing of the Project Facility and the sale of the Project Facility to the Institution pursuant to this Installment Sale Agreement is for a proper purpose, to wit, to advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State, pursuant to the provisions of the Act; and

WHEREAS, all things necessary to constitute this Installment Sale Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Installment Sale Agreement have in all respects been duly authorized by the Issuer and the Institution;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I

DEFINITIONS

SECTION 1.1. DEFINITIONS. The following words and terms used in this Installment Sale Agreement shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Institution and acceptable to the Holder.

“Act” means Title 1 of Article 18-A of the General Municipal Law of the State, as amended from time to time, together with Chapter 178 of the Laws of 1975 of the State, as the same may be further amended from time to time.

“Applicable Laws” means all statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Issuer were the owner of the Project Facility and as if the Institution and not the Issuer were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

“Architect” means the architect or firm of architects selected by the Institution with respect to the construction of the Project Facility and acceptable to the Holder.

“Assignment of Rents” means the assignment of leases and rents dated as of December 1, 2002 from the Issuer, the Owner and the Institution to the Holder, as said assignment may be amended or supplemented from time to time.

“Authorized Investments” means, to the extent permitted by the Act and any other applicable law, any of the following: (A) direct obligations of the United States of America, or of any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States or any fund investing exclusively in such obligations; (B) obligations of the State of New York or any political subdivision, school district, district corporation or public benefit corporation thereof which bear an investment grade rating from Standard & Poor’s or Moody’s or any fund investing exclusively in such obligations; and (C) other investments approved by the Holder in writing.

"Authorized Representative" means the Person or Persons at the time designated to act in behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Holder containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chairman or Vice Chairman, or such other person as may be authorized by resolution of the Issuer to act on behalf of the Issuer, and (B) the Institution by its President or Vice President, or such other person as may be authorized by the board of directors of the Institution to act on behalf of the Institution.

"Bank Guaranty" means the limited guaranty dated as of December 1, 2002 from the Guarantor to the Holder, pursuant to which the Guarantor has made a guarantee to the Holder of the payments due on the Bond and the Institution's obligations under the Installment Sale Agreement to stay in effect until the Outstanding Principal Balance due on the Bond is reduced to \$2,500,000, as said bank guaranty may be amended or supplemented from time to time.

"Bill of Sale to Institution" means the bill of sale from the Issuer to the Institution conveying all of the Issuer's interest in the Equipment to the Institution, substantially in the form attached as Exhibit D to the Installment Sale Agreement.

"Bill of Sale to Issuer" means the bill of sale delivered on the Closing Date from the Institution to the Issuer conveying the Institution's interest in the Equipment to the Issuer.

"Bond" means the Issuer's Tax-Exempt Civic Facility Revenue Bond (La Salle School Project), Series 2002A in the principal amount of \$3,500,000, dated the Closing Date, substantially in the form attached as Exhibit C to the Bond Purchase Agreement and any Bond issued in substitution therefor pursuant to the provisions of the Bond Purchase Agreement.

"Bond Counsel" means the law firm of Hodgson Russ LLP, Albany, New York or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer and the Holder.

"Bond Payment Date" means each date on which a Debt Service Payment shall be payable on the Bond according to the terms thereof, so long as the Bond is outstanding.

"Bond Proceeds" means the proceeds of the Bond delivered by the Holder to the Disbursing Agent pursuant to the Bond Purchase Agreement.

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

"Bond Rate" shall mean, with respect to the Bond, the applicable interest rate on the Bond, as set forth in the Bond.

“Bond Registrar” means the Holder, acting as bond registrar for the Bond as set forth in Section 303(A) of the Bond Purchase Agreement.

“Bond Resolution” means the resolution of the members of the Issuer duly adopted on December 4, 2002 authorizing the Issuer to undertake the Project, to issue and sell the Bond and to execute and deliver the Financing Documents to which the Issuer is a party.

“Bond Year” means the one (1) year period ending on the anniversary of the Closing Date.

“Building Loan” means that portion of the Loan which is advanced to pay costs which constitute a “cost of improvement”, as said quoted term is defined in Section 2 of the Lien Law.

“Business Day” means a day on which the Holder is open for business at its principal office, presently located in the City of Troy, New York.

“Change Order” means any amendment or modification to the Plans and Specifications or any other document prepared in connection therewith.

“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.

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

“Commitment” means the commitment from the Holder to the Institution dated November 19, 2002 with respect to the making of the loan contemplated by the Bond Purchase Agreement and the purchase of the Bond to evidence such loan. A copy of the Commitment is attached as Schedule I to the Bond Purchase Agreement.

“Completion Date” means the date of substantial completion of the Project Facility, as evidenced in the manner provided in Section 4.4 of the Installment Sale 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 Authority.

“Construction Period” means the period (A) beginning on the Inducement Date and (B) ending on the Completion Date.

“Contract” means any contract, subcontract or purchase order or materials contract between the Institution and a Contractor for the performance of certain work, labor or services or for the furnishing of certain materials, supplies or equipment in connection with the construction and/or equipping of the Facility.

“Contractor” means each Person with whom the Institution contracts from time to time for the acquisition, construction and/or installation of the Project Facility.

“Control Agreement” means an agreement whereby a security interest in \$1,000,000 of cash or liquid securities of the Guarantor is granted to the Holder until such time as the higher interest expense associated with the Bond is reflected in the reimbursement rate received by the Institution.

“Cost of the Project” means all those costs and items of expense enumerated in Section 4.3(A) of the Installment Sale Agreement. The term “Cost of the Project” includes reimbursement to the Institution for any of such costs or expenses incurred and paid.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bond on such Bond Payment Date, plus (B) the principal, if any, payable on the Bond on such Bond Payment Date, plus (C) the premium, if any, payable on the Bond on such Bond Payment Date.

“Default Interest Rate” means (A), when used with respect to the Bond, the Default Interest Rate, as defined in the Bond, and (B), when used with respect to any other Financing Document, a per annum rate of interest equal to the Bond Rate plus 3%; provided, however, that such interest rate shall in no event exceed the maximum interest rate which Institution may by law pay.

“Disbursing Agent” means the Holder or any successor Disbursing Agent, acting as disbursing agent under the Bond Purchase Agreement.

“Equipment” means all materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Bond or any payment made by the Institution pursuant to Section 4.5 of the Installment Sale Agreement, and such substitutions and replacements therefor as may be made from time to time pursuant to the Installment Sale Agreement, including, without limitation, all the Property described in Exhibit B attached to the Installment Sale Agreement.

“Event of Default” means any of those events defined as an Events of Default by the terms of any of the Financing Documents.

“Event of Taxability” means (A) receipt by the Holder of a written opinion of Bond Counsel to the effect that, based on written statements, certificates, audits, filings or any other documentation furnished by an Authorized Representative of the Company or any “principal user” (as defined in the Tax Regulatory Agreement) of the Project Facility or any Related Person thereto, the \$150,000,000 limit of Section 145(b) of the Code was exceeded at any time before the end of the three-year period commencing on the later to occur of (1) the date the Project Facility is placed in service or (2) the date the Bond was issued, or (B) 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, or (C) 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, or (D) 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 (E) receipt by the Holder of a written opinion of Bond Counsel that there is no longer a basis for the holders of the Bond (or any former holder, other than a holder who is or was a Substantial User of the Project Facility or a Related Person thereto) 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 paragraph (C) 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 Authority having jurisdiction therein. Nothing in this definition of “Event of Taxability” shall be construed to mean that the Holder or any other holder of the Bond shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bond is subject to taxation. Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on the Holder or any other Holder of the Bond, in the calculation of which is included the interest on the Bond, be considered an Event of Taxability.

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

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

“Facility” means 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”), and any other improvements (A) affixed or attached or to be affixed or attached to the Land, and (B) not part of the Equipment, all as they may exist from time to time.

“Financial Institution” means (A) any national bank, banking corporation, trust company or other banking institution, whether acting in its individual or fiduciary capacity, organized under the laws of the United States, any state, any territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the Comptroller of the Currency or a comparable state or territorial official or agency; (B) an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state, a territory or the District of Columbia; (C)

an investment company registered under the Investment Company Act of 1940 or a business development company as described in Section 2(a)(48) of that Act; (D) an employee benefit plan, including an individual retirement account, which is subject to the provisions of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company or registered investment company; or (E) institutional investors or other entities who customarily purchase commercial paper or tax-exempt securities in large denominations.

“Financing Documents” means the Underlying Lease, the Bill of Sale to Issuer, the Bond Purchase Agreement, the Bond, the Mortgage, the Assignment of Rents, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty, the Tax Regulatory 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 Facility, in whole or in part, or which secures or guarantees any sum due under the Bond or any other Financing Document, and all documents related thereto and executed in connection therewith, each as amended from time to time.

“Fiscal Year” means the twelve (12) month period beginning on January 1 in any year or such other fiscal year as the Institution may select from time to time.

“Governmental Authority” means the United States of America, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them.

“Gross Proceeds” means 100% of the proceeds of the transactions in question, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“Guarantor” means The La Salle School Foundation, a not-for-profit corporation organized and existing under the laws of the State of New York.

“Guaranty” means the guaranty dated as of December 1, 2002 from the Institution to the Holder, pursuant to which the Institution has guaranteed to the Holder all payments due on the Bond and all of the Institution’s obligations under the Installment Sale Agreement, as said guaranty may be amended or supplemented from time to time.

“Hazardous Materials” shall mean all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), Articles 15 or 27 of the State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule or regulation.

"Holder" means The Troy Savings Bank, a banking corporation having an office for the transaction of business located at Hedley Park Place, 433 River Street, Troy, New York 12180, as initial purchaser of the Bond, and its successors and assigns as holder of the Bond.

"Holder Documents" means the Commitment, the Bond Purchase Agreement, the Mortgage, the Assignment of Rents, the Bank Guaranty, the Control 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 Facility, in whole or in part, or which secures or guarantees any sum due under the Holder Documents.

"Indebtedness" means (1) the principal of, and the premium, if any, and the interest on, the Bond, issued in the original principal amount of \$3,500,000, (2) all other payments due from the Institution or the Issuer to the Holder pursuant to any of the Financing Documents, (3) the performance and observance by the Issuer and the Institution of all of the covenants, agreements, representations and warranties made for the benefit of the Holder in the Mortgage and the other Financing Documents, (4) the monetary obligations of the Institution to the Issuer and its members, officers, agents, servants and employees under the Installment Sale Agreement and the other Financing Documents, and (5) all interest accrued on any of the foregoing.

"Independent Counsel" shall mean an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not a full-time employee of the Institution or the Issuer.

"Independent Inspector" means an architect, engineer or other appropriate firm or individual engaged by the Holder (at the Institution's expense) to inspect the acquisition, construction and installation of the Project Facility from time to time and to advise and counsel the Holder with respect to the Project Facility and the acquisition, construction and installation thereof.

"Inducement Date" means September 4, 2002.

"Initial Disbursement" means the first advance of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

"Installment Sale Agreement" means the installment sale agreement dated as of December 1, 2002 by and between the Issuer and the Institution, as said installment sale agreement may be amended or supplemented from time to time.

"Institution" means La Salle School, a not-for-profit corporation organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Installment Sale Agreement.

"Insurance and Condemnation Fund" means the fund so designated established pursuant to Section 402 of the Bond Purchase Agreement.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Bond.

"Issuer" means (A) Albany County Industrial Development Agency and its successors and assigns, and (B) any public benefit corporation or other public corporation resulting from or surviving any consolidation or merger to which Albany County Industrial Development Agency or its successors or assigns may be a party.

"Land" means various interests 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, as more particularly described on Exhibit A attached to the Installment Sale 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, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics', materialmen's, warehousemen's and carriers' liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Lien Law" means the Lien Law of the State.

"Loan" means the loan evidenced by the Bond and to be made by the Holder to the Issuer pursuant to the Bond Purchase Agreement.

"Maturity Date" means the final Stated Maturity of the principal of the Bond.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"Mortgage" means the mortgage dated as of December 1, 2002 from the Issuer and the Institution to the Holder, as said mortgage may be amended or supplemented from time to time.

"Mortgaged Property" means the Project Facility and all other Property which may from time to time be subject to the Lien of the Mortgage.

"Net Proceeds" means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys' fees) incurred in obtaining such Gross Proceeds.

"Non-building Loan" means that portion of the Loan which does not constitute part of the Building Loan.

"Permitted Encumbrances" means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions, only to the extent shown on the title policy issued on the Closing Date by the Title Insurer, and that exist on the Closing Date and benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens to the extent permitted by Section 8.8(B) of the Installment Sale Agreement, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by Section 6.2(B) of the Installment Sale Agreement, or (2) at the time not delinquent, (D) any Lien on the Project Facility, obtained through any Financing Document, (E) any Lien on the Project Facility in favor of the Holder, (F) any Lien listed on Exhibit C to the Mortgage, and (G) any Lien permitted by the Holder in writing.

"Person" means an individual, partnership, corporation, trust, unincorporated organization or Governmental Authority.

"Plans and Specifications" means (1) with respect to the Issuer, the description of the Project Facility appearing in the fifth recital clause to the Installment Sale Agreement, and (2) with respect to the Holder, any plans and specifications for the acquisition, construction and installation of the Facility approved by the Holder.

"Pledge and Assignment" means the pledge and assignment dated as of December 1, 2002 from the Issuer to the Holder, pursuant to which the Issuer has assigned to the Holder its rights under the Installment Sale Agreement (except the Unassigned Rights), as said pledge and assignment may be amended or supplemented from time to time.

"Pledge and Security Agreement" means a pledge and security agreement dated as of December 1, 2002 by and between the Guarantor and the Holder with respect to the cash or liquid securities being pledged by the Guarantor to the Holder as collateral for the Institution's obligations under the Installment Sale Agreement and the Guarantor's obligations under the Bank Guaranty.

"Preliminary Inducement Resolution" means the resolution adopted by the members of the Issuer on September 4, 2002 offering, subject to satisfaction of numerous conditions, to undertake and finance the project.

"Project" means the project undertaken by the Issuer consisting of (A) (1) the acquisition of an interest in the Land, (2) the reconstruction of the Facility, (3) the acquisition and installation therein and thereon of the Equipment, 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 Facility; (B) the financing of 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.

"Project Facility" means, collectively, the Land, the Facility and the Equipment.

“Project Facility Proceeds” shall have the meaning assigned to such term in Section 7.4(A) of the Installment Sale Agreement.

“Project Fund” means the fund so designated established pursuant to Section 402 of the Bond Purchase Agreement.

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

“Rebate Amount” shall have the meaning assigned to such term in the Tax Documents.

“Rebate Fund” means the fund so designated established pursuant to Section 402 of the Bond Purchase Agreement.

“Request for Disbursement” means a request from the Institution, as agent of the Issuer, stating the amount of the disbursement sought and containing the statements, representations and other items required by Section 4.3 of the Installment Sale Agreement and by the Bond Purchase Agreement, in substantially the form of Exhibit D attached to the Bond Purchase Agreement.

“Securities Laws” means the Securities Act of 1933, as amended, and all other securities laws of the United States of America or the State to the extent that such laws may now or hereafter be applicable to or affect the issuance, sale and delivery of the Bond and any transfer or resale thereof.

“SEQRA” means Article 8 of the Environmental Conservation Law of the State and the statewide and local regulations thereunder.

“Standard & Poor’s” means Standard & Poor’s Corporation, and its successors and assigns.

“State” means the State of New York.

“Stated Maturity” means, when used with respect to any installment of principal or interest on the Bond, the date specified in the Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“Tax Documents” means, collectively, the Arbitrage Certificate and the Tax Regulatory Agreement.

“Taxable Rate” shall have the meaning set forth in the Bond.

“Tax-Exempt Rate” shall have the meaning set forth in the Bond.

“Tax Regulatory Agreement” means the tax regulatory agreement dated the Closing Date from the Institution to the Issuer and the Holder, as said tax regulatory agreement may be amended or supplemented from time to time.

“Termination of Underlying Lease” means the termination of underlying lease from the Issuer to the Institution, substantially in the form attached as Exhibit C to the Installment Sale Agreement.

“Title Insurer” means the issuer of the title insurance policy required by the Holder pursuant to Section 3.4 of the Installment Sale Agreement and of the Bond Purchase Agreement.

“Unassigned Rights” means (A) the rights of the Issuer granted pursuant to Sections 2.2, 3.2, 3.3, 4.1(B), 4.1(D), 4.1(E)(2), 4.1(F), 4.1(G), 4.5, 4.6, 5.2(A), 5.3(B), 5.4(B), 5.6, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 9.1, 9.3, 9.4, 11.1, 11.4, 11.8 and 11.10 of the Installment Sale Agreement, (B) the moneys due and to become due to the Issuer for its own account or the members, officers, agents and employees of the Issuer for their own account pursuant to Sections 2.2(F), 3.3, 4.1, 5.3(B)(2), 5.3(C), 6.3, 8.2, 10.2 and 10.4 of the Installment Sale Agreement, (C) the moneys due as payments in lieu of taxes pursuant to Section 6.5 of the Installment Sale Agreement, and (D) the right to enforce the foregoing pursuant to Article X of the Installment Sale Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Institution under the Sections of the Installment Sale Agreement listed in (A) or (B) above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, agents (other than the Institution) and employees of the Issuer for their own account, such obligations, upon assignment of the Installment Sale Agreement by the Issuer to the Holder pursuant to the Pledge and Assignment, shall be deemed to and shall constitute obligations of the Institution to the Issuer and the Holder, jointly and severally, and either the Issuer or the Holder may commence an action to enforce the Institution’s obligations under the Installment Sale Agreement.

“Underlying Lease” means the lease to issuer dated as of December 1, 2002 by and between the Institution, as landlord, and the Issuer, as tenant, pursuant to which the Institution granted to the Issuer a leasehold interest in the Project Facility, as said lease to issuer may be amended or supplemented from time to time.

SECTION 1.2. INTERPRETATION. In this Installment Sale Agreement, unless the context otherwise requires:

(A) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Installment Sale Agreement refer to this Installment Sale Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Installment Sale Agreement;

(B) words of masculine gender shall mean and include correlative words of feminine and neuter genders;

(C) words importing the singular number shall mean and include the plural number, and vice versa; and

(D) any certificates, letters or opinions required to be given pursuant to this Installment Sale Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Installment Sale Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER. The Issuer makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Issuer is duly established under the provisions of the Act and has the power to enter into this Installment Sale Agreement and to carry out its obligations hereunder. Based upon the representations of the Institution as to the utilization of the Project Facility, the Project Facility will constitute a "project", as such quoted term is defined in the Act. By proper official action, the Issuer has been duly authorized to execute, deliver and perform this Installment Sale Agreement and the other Financing Documents to which the Issuer is a party.

(B) Neither the execution and delivery of this Installment Sale Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of the other Financing Documents by the Issuer will conflict with or result in a breach by the Issuer of any of the terms, conditions or provisions of the Act, the by-laws of the Issuer or any order, judgment, restriction, agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or will constitute a default by the Issuer under any of the foregoing.

(C) The Issuer will cause the Project Facility to be acquired, constructed and installed and will sell the Project Facility to the Institution pursuant to this Installment Sale Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) Except as provided herein and in Article X hereof, the Issuer, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all Liens or encumbrances, except as contemplated or allowed by the terms of this Installment Sale Agreement and the other Financing Documents.

(E) To assist in financing the Cost of the Project, the Issuer will issue and sell the Bond. In no event will the Issuer issue and sell additional obligations to pay the Cost of the Project if the issuance and sale of such further obligations would cause interest on the Bond to become or be included in gross income for federal income tax purposes.

(F) The Issuer shall cooperate with the Institution in the filing by the Institution, as agent of the Issuer, of such returns and other information with the Internal Revenue Service as the Holder or the Institution requests in writing, provided the Institution shall bear all costs of preparing, gathering and/or filing such returns and other information. In addition, the Issuer, at the request of the Institution, shall cooperate with the Institution in the filing by the Institution, as

agent of the Issuer, of such returns and other information with the State and Albany County, New York.

(G) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

(H) Subject to the limitations contained in Section 11.10 hereof, so long as the Bond shall be outstanding, the Issuer will not take any action (or omit to take any action required by the Financing Documents or which the Holder or the Institution, together with Bond Counsel, advise the Issuer in writing should be taken) or allow any action to be taken, which action (or omission) would in any way (1) cause the proceeds from the sale of the Bond to be applied in a manner contrary to that provided in the Financing Documents or (2) adversely affect the exclusion of the interest on the Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no 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 shall be reasonably available to the Issuer.

SECTION 2.2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE INSTITUTION. The Institution makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Institution is a not-for-profit corporation duly organized and validly existing under the laws of the State of New York, has the power to enter into this Installment Sale Agreement and the other Financing Documents to which the Institution is a party and to carry out its obligations hereunder and thereunder, has been duly authorized to execute this Installment Sale Agreement and the other Financing Documents to which the Institution is a party and is qualified to do business in all jurisdictions in which its operations or ownership of Properties so require. This Installment Sale Agreement and the other Financing Documents to which the Institution is a party, and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action by the board of trustees of the Institution.

(B) Neither the execution and delivery of this Installment Sale Agreement or the other Financing Documents to which the Institution is a party, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the provisions thereof will (1) result in a breach of or conflict with any of the terms, conditions or provisions of the certificate of incorporation or by-laws of the Institution or any other restriction, order, judgment, agreement or instrument to which the Institution is a party or by which the Institution or any of its Property is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any such instrument or agreement, other than the Permitted Encumbrances, (2) require consent (which has not been heretofore received) under any corporate restriction, agreement or instrument to which the Institution is a party or by which the Institution or any of its Property may be bound or

affected, or (3) require consent (which has not been heretofore obtained) under or conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Institution or any of the Property of the Institution.

(C) The completion of the Project Facility by the Issuer and the sale thereof by the Issuer to the Institution will not result in the removal of a plant of the Institution or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Institution or any other proposed occupant of the Project Facility located in the State.

(D) Although the Project may constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project will be operated by a not-for-profit corporation and therefore is not prohibited pursuant to Section 862(2) of the Act.

(E) The Financing Documents to which the Institution is a party constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Institution, enforceable in accordance with their respective terms.

(F) The Project Facility is, and so long as the Bond shall be outstanding the Project Facility will continue to be, a "project", as such quoted term is defined in the Act, and the Institution will not take any action (or omit to take any action required by the Financing Documents or which the Issuer or the Holder, together with Bond Counsel, advise the Institution in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (1) cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act, or (2) adversely affect the exclusion of the interest paid or payable on the Bond from gross income for federal income tax purposes, or (3) cause the proceeds of the Bond to be applied in a manner contrary to that provided in the Financing Documents.

(G) The Institution shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on the Project Facility, and the Institution will defend and save the Issuer and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith.

(H) The Institution hereby covenants to comply with all mitigating measures, requirements and conditions, if any, applicable to the acquisition, construction, installation and operation of the Project Facility by any Governmental Authority with respect to the Project Facility.

(I) The Project Facility and the operation thereof will comply with all Applicable Laws.

(J) The Institution will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectations and covenants made by the Institution in the Tax Regulatory Agreement are hereby

declared to be for the benefit of, among others, the Issuer and, by this reference, are incorporated herein by this reference as though set forth in full herein.

(K) All proceeds of the Bond shall be used to pay the Cost of the Project and the total Cost of the Project, including all costs related to the issuance of the Bond, shall be not less than the total Bond Proceeds advanced by the Holder under the Bond.

(L) The financial statements of the Institution heretofore furnished to the Holder (the "Financial Statements") are true, complete and correct in all material respects and fairly present the financial condition and results of operations of the Institution as at and for the periods shown and covered thereby. The Institution does not have any material liabilities, whether direct, indirect, absolute or contingent, not shown on such Financial Statements. There has been no material adverse change in the Institution's assets or condition (financial or otherwise) since the date of the Financial Statements.

(M) The Institution shall pay and discharge (1) all taxes, assessments and governmental charges or levies imposed upon Institution or upon Institution's income or profits, or upon any property belonging to Institution, before delinquent, (2) all lawful claims (including claims for labor, materials and supplies) which, if unpaid, might give rise to a lien upon any of Institution's property, and (3) all of Institution's other indebtedness (except as may be prohibited hereunder); provided, however, that Institution shall not be required to pay any of the foregoing if and so long as the amount, applicability or validity thereof is currently being contested in good faith by appropriate proceedings, appropriate cash reserves therefor have been established to the Holder's satisfaction, and all applicable requirements of the Financing Documents with respect thereto have been fulfilled.

(N) In no event will "costs of issuance" (within the meaning of Section 147(g) of the Code) paid from the proceeds of the Bond exceed two percent (2%) of the face amount of the Bond.

(O) The Institution acknowledges receipt of notice of Section 874(8) of the Act, which requires that the Institution as agent of the Agency must annually file a statement with the New York State Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance, of the value of all sales tax exemptions claimed by the Institution under the authority granted by the Agency. It is understood that the Institution is a tax exempt entity in its own right and has not requested nor benefited from any sales tax exemption through the auspices of the Agency.

(P) The Institution acknowledges receipt of notice of Section 858-b of the Act, which requires that the Institution list new employment opportunities created as a result of the Project with the following entities (hereinafter, the "JTPA Entities"): (1) the New York State Department of Labor Community Services Division and (2) the administrative entity of the service delivery area created by the federal job training partnership act (P.L. No. 97-300) in which the project is located. The Institution agrees, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the JTPA Entities.

SECTION 2.3. COVENANT WITH THE HOLDER. The Issuer and the Institution agree that this Installment Sale Agreement is executed in part to induce the purchase of the Bond by the Holder. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Institution set forth in this Installment Sale Agreement, other than the Unassigned Rights, are hereby declared to be for the benefit of the Issuer and the Holder.

ARTICLE III

CONVEYANCE AND USE OF PROJECT FACILITY

SECTION 3.1. CONVEYANCE TO THE ISSUER. The Institution has or will convey, or will cause to be conveyed, to the Issuer an interest in the Project Facility pursuant to the Underlying Lease and the Bill of Sale to Issuer. The Institution hereby represents and warrants that it has a valid leasehold interest the portions of the Project Facility that exist on the Closing Date, free and clear from all Liens except for Permitted Encumbrances, and agrees that it will defend, indemnify and hold the Issuer and the Holder harmless from any expense or liability due to any defect in title thereto.

SECTION 3.2. USE OF PROJECT FACILITY. Subsequent to the Closing Date, (A) unless an Event of Default has occurred and is continuing, the Institution shall have sole and exclusive (as between the Institution and the Issuer) possession and use of the Project Facility, (B) the Institution shall not use the Project Facility, or permit the Project Facility to be used, by any Nonexempt Person or in any "unrelated trade or business", within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Bond to be includable in the gross income of the recipients thereof for federal income tax purposes or loss of the Institution's status as an exempt organization under Section 501(c)(3) of the Code, and (C) the Institution shall be entitled to use the Project Facility as educational facilities and uses related thereto, but not (1) as facilities used or to be used primarily for sectarian instruction or as a place of religious worship or (2) primarily as in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that at no time shall any such use be other than as a civic facility under the Act and uses related thereto without the prior written consent of the Issuer and the Holder.

SECTION 3.3. TITLE INSURANCE. The Institution agrees to obtain title insurance in an amount required by the Holder, insuring the Mortgage to be a valid first priority Lien on the Land and the Facility, excepting only Permitted Encumbrances. Except as otherwise provided in the Mortgage, the Net Proceeds of such insurance shall be paid to the Holder and shall be deposited by the Holder in the Insurance and Condemnation Fund and used as provided in Section 7.1(B) hereof.

ARTICLE IV

UNDERTAKING AND COMPLETION OF THE PROJECT FACILITY; ISSUANCE OF THE BOND; USE OF PROCEEDS

SECTION 4.1. ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECT FACILITY. (A) The Institution shall, on behalf of the Issuer, promptly (1) acquire an interest in the Land or cause an interest in the Land to be acquired, (2) construct and reconstruct the Facility or cause the Facility to be constructed and reconstructed on the Land, and (3) acquire and install the Equipment in the Facility, or cause the acquisition and installation of the Equipment in the Facility, or elsewhere on the Land, all in accordance with the Plans and Specifications.

(B) No material change in the Plans and Specifications shall be made unless (1) the Issuer and the Holder shall have consented thereto in writing (which consents shall not be unreasonably withheld or delayed) and (2) the Institution shall furnish the Issuer and the Holder with an unqualified opinion of Bond Counsel that undertaking acquisition, construction and installation of the Project Facility in accordance with the revised Plans and Specifications will not adversely affect the tax-exempt status of the interest paid or payable on the Bond.

(C) Title to all materials, equipment, machinery and other items of Property presently incorporated or installed in and which are a part of the Project Facility shall vest in the Issuer upon execution of the Bill of Sale to Issuer. Title to all materials, equipment, machinery and other items of Property acquired subsequent to the Closing Date and intended to be incorporated or installed in and to become part of the Project Facility shall vest in the Issuer immediately upon deposit on the Land or incorporation or installation in the Facility, whichever shall first occur. The Institution shall execute, deliver and record or file all instruments necessary or appropriate to vest title in the Issuer and shall take all action necessary or appropriate to protect such title against claims of any third Persons.

(D) The Issuer shall enter into, and accept the assignment of, such contracts as the Institution may request in order to effectuate the purposes of this Section 4.1; provided, however, that the liability of the Issuer thereunder shall be limited to the Bond Proceeds available therefore and disbursed for such purpose pursuant to the Financing Documents.

(E) The Issuer hereby appoints the Institution its true and lawful agent retroactive to September 4, 2002 to perform the following in compliance with the terms, purposes and intent of the Financing Documents, and the Institution hereby accepts such appointment: (1) to acquire, construct and install the Project Facility, (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for the acquisition, construction and installation of the Project Facility, with the same powers and with the same validity as the Issuer could do if acting in its own behalf, provided that the liability of the Issuer thereunder shall be limited to the Bond Proceeds available therefore and disbursed for such purpose pursuant to the Financing Documents, (3) to pay all fees, costs and expenses incurred in the acquisition, construction and

installation of the Project Facility from funds made available therefor in accordance with this Installment Sale Agreement and the other Financing Documents, (4) to request on behalf of the Issuer, and receive for the purpose of paying the Cost of the Project, disbursements of the Bond Proceeds pursuant to the Financing Documents, and (5) to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Issuer under the terms of any contract, order, receipt or writing in connection with the acquisition, construction and installation of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond or other performance security in connection with the same.

(F) The Institution has given or will give or cause to be given all notices and has complied or will comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on the Project Facility and the Institution will defend, indemnify and save the Issuer and officers, members, directors, agents (other than the Institution), servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Institution.

(G) To the extent required by applicable law, the Institution, as agent of the Issuer, will cause (1) compliance with the requirements of Article 8 of the New York Labor Law, and (2) any contractors, subcontractors and other persons involved in the acquisition, construction and installation of the Project Facility to comply with Article 8 of the New York Labor Law. The covenant in this subsection is not intended as a representation that Article 8 of the New York State Labor Law applies.

(H) In compliance with Section 13 of the New York Lien Law to the extent to which that Section may be found to apply by its terms, the Institution covenants that it will (1) hold the right to receive the Bond Proceeds, as a trust fund to be applied first for the purpose of paying the "cost of improvement" (as said term is defined in Section 2(5) of the Lien Law), and (2) apply the same first to the payment of the "cost of improvement" before using any part of the total of the same for any other purpose. The covenant in this subsection is not intended as a representation that Section 13 of the New York Lien Law applies, nor is it intended as a representation that this Installment Sale Agreement or the Bond Purchase Agreement is a "building loan contract" as defined in Section 2(13) of the New York Lien Law.

SECTION 4.2. ISSUANCE OF THE BOND. In order to finance a portion of the Cost of the Project, together with other costs and incidental expenses in connection therewith, the Issuer agrees that it will issue, sell and cause to be delivered to the Holder the Bond, as provided in the Bond Purchase Agreement. **THE ISSUER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, THAT THE NET PROCEEDS OF THE BOND WILL BE SUFFICIENT TO COMPLETE THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND INSTALLATION OF THE PROJECT FACILITY.**

SECTION 4.3. APPLICATION OF BOND PROCEEDS. (A) Upon submission to the Holder of a Request for Disbursement certified by an Authorized Representative of the Institution complying with the requirements of Article IV of the Bond Purchase Agreement, the Bond

Proceeds shall be advanced by the Holder to the Institution as agent of the Issuer as provided in the Bond Purchase Agreement and shall be applied to pay the following items of cost and expense incurred in connection with the Project (but only to the extent that any such item is approved by the Holder in its sole and absolute discretion) subsequent to the Inducement Date (except to the extent that the Institution receives a letter from Bond Counsel that payment of amounts incurred prior to the Inducement Date will not affect the tax-exempt status of the Bond), and for no other purpose:

- (1) the cost of preparing the Plans and Specifications as they relate to the Project Facility (including any preliminary study or planning for the Project Facility or any aspect thereof);
- (2) all costs incurred in connection with the acquisition, construction, reconstruction and installation of the Project Facility (including architectural, engineering and supervisory services, if any, with respect thereto);
- (3) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Financing Documents, any other agreement contemplated thereby, any financing statements and any title curative documents that the Issuer or the Holder may deem desirable in order to perfect or protect the Issuer's, the Holder's or the Institution's respective interests in the Project Facility, and any security interests contemplated by the Financing Documents;
- (4) any expenses of the Institution in enforcing any remedy against any contractor, subcontractor or materialman in accordance with Section 4.6 hereof;
- (5) the cost of all insurance maintained with respect to the Project Facility pursuant to Section 6.3 hereof during the Construction Period and the cost of maintaining any payment and performance bond (or letter of credit in substitution therefor), if any, relating to the Project Facility;
- (6) all interest payable on the Bond during the Construction Period;
- (7) all interest payable on any interim financing the Institution may have secured with respect to the Project Facility in anticipation of the issuance of the Bond;
- (8) all legal, accounting, financial advisory, investment banking, underwriting, rating agency, blue sky, legal investment and any other fees, discounts, costs and expenses incurred by the Issuer, the Institution or the Holder in connection with the preparation, reproduction, authorization, issuance, execution, delivery and sale of the Bond and the other Financing Documents and all other documents in connection therewith, with the acquisition, construction, reconstruction and installation of the Project Facility, and with any other transaction contemplated by the Bond and the other Financing Documents;

(9) the administration or commitment fees, costs and expenses (including, but not limited to, reasonable attorneys' fees) of the Issuer and the Holder;

(10) all title insurance, appraisal and surveying costs;

(11) payment of taxes and assessments relating to the Project Facility payable during or allocable to the Construction Period; and

(12) reimbursement to the Institution for any of the above enumerated costs and expenses paid and incurred by the Institution.

(B) Except for any amount retained for the payment of unpaid items of the Cost of the Project, all moneys (1) remaining in the Project Fund on the date that the final disbursement (other than for ordinary punchlist items and work awaiting seasonal opportunity) is made pursuant to Section 405 of the Bond Purchase Agreement, or (2) thereafter transferred to the Project Fund shall be promptly paid to the Holder and applied toward prepayment of the principal of the Bond.

SECTION 4.4. COMPLETION OF THE PROJECT FACILITY. The Institution will proceed with due diligence to complete the acquisition, construction, reconstruction and installation of the Project Facility. Completion of the same shall be evidenced by a certificate signed by an Authorized Representative of the Institution delivered to the Issuer and the Holder stating (A) the date of such completion, (B) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid, (C) that the acquisition, construction, reconstruction and installation of the Project Facility has been completed, with the exception of ordinary punchlist items and work awaiting seasonal opportunity, (D) that the Institution or the Issuer has good and valid title to all Property constituting a portion of the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and that the Project Facility is subject to the Lien of the Mortgage, (E) that the applicable Rebate Amount with respect to the Net Proceeds of the Project Fund and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Holder of any required transfer to the Rebate Fund), and (F) that the Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (1) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (2) that it is given only for the purposes of this Section 4.4, and (3) that no Person other than the Issuer and the Holder may benefit therefrom. Such certificate shall be accompanied by a certificate of occupancy, or a letter from the local Governmental Authority stating that no certificate of occupancy is required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

SECTION 4.5. COMPLETION BY THE INSTITUTION. (A) In the event that the Bond Proceeds are not sufficient to pay in full all costs of acquiring, constructing and installing the Project Facility, the Institution agrees, for the benefit of the Issuer and the Holder, to complete such acquisition, construction, reconstruction and installation and to pay all such sums as may be in excess of the remaining unadvanced portion of the Bond. Title to portions of the Project

Facility acquired, constructed and installed at the Institution's cost shall immediately upon such acquisition, construction, reconstruction and installation vest in the Issuer. The Institution shall execute, deliver and record or file such instruments as the Issuer may request in order to perfect or protect the Issuer's title to such portions of the Project Facility.

(B) No payment by the Institution pursuant to this Section 4.5 shall entitle the Institution to any reimbursement for any such expenditure from the Issuer or the Holder or to any diminution or abatement of any amounts payable by the Institution under this Installment Sale Agreement.

SECTION 4.6. REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES. In the event of a default by any contractor, subcontractor or materialman under any contract made by it in connection with the acquisition, construction and installation of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Institution shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution and the Issuer against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Institution may, in its own name or, with the prior written consent of the Issuer, in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety which the Institution deems reasonably necessary, and in such event the Issuer hereby agrees, at the Institution's sole expense, to cooperate fully with the Institution and to take all action necessary to effect the substitution of the Institution for the Issuer in any such action or proceeding. The Institution shall advise the Issuer and the Holder of any actions or proceedings taken hereunder. The Net Proceeds of any recovery secured by the Institution as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to this Section 4.6 shall be applied as provided in Section 7.1(B) hereof.

ARTICLE V

AGREEMENT TO CONVEY PROJECT FACILITY; INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE

SECTION 5.1. AGREEMENT TO CONVEY PROJECT FACILITY. In consideration of the Institution's covenant herein to make installment purchase payments, and in consideration of the other covenants of the Institution contained herein, including the covenant to make additional and other payments required hereby, the Issuer hereby agrees to sell and convey to the Institution, and the Institution hereby agrees to purchase and acquire from the Issuer, the Project Facility, subject only to Permitted Encumbrances and the Liens created by the Financing Documents. The obligation of the Issuer under this Section 5.1 to convey the Project Facility to the Institution shall be subject to there being no Event of Default existing hereunder, or any other event which would, but for the passage of time, be an Event of Default.

SECTION 5.2. CONVEYANCE; INSTRUMENTS; SURVIVAL. (A) The Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the Mortgage and the other Financing Documents) from the Issuer to the Institution on the earlier of (1) the date requested by the Institution or (2) the Completion Date; provided, however, that in no event shall the conveyance of the Project Facility occur later than December 31, 2003.

(B) The reconveyance of the Issuer's right, title and interest in and to the Land and the Facility shall be effected by the delivery and recording of the Termination of Underlying Lease (in substantially the form attached hereto as Exhibit C and by this reference made a part hereof). The sale and conveyance of the Issuer's right, title and interest in and to the Equipment shall be effected by the delivery to the Institution of the Bill of Sale to Institution (in substantially the form attached hereto as Exhibit D and by this reference made a part hereof).

(C) The Institution agrees to prepare the Termination of Underlying Lease and/or the Bill of Sale to Institution and all schedules thereto, together with all gains tax affidavits, equalization and assessment forms and other necessary documentation, and to forward same to the Issuer at least thirty (30) days prior to the date that the Project Facility or any portion thereof as to be conveyed to the Institution.

(D) The Institution hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfers contemplated by this Section 5.2.

(E) This Installment Sale Agreement shall survive the transfer of the Project Facility to the Institution pursuant to this Section 5.2 and shall remain in full force and effect until all of the Indebtedness shall have been paid in full, and thereafter the obligations of the Institution shall survive as set forth in Section 11.8 hereof.

(F) Upon the payment in full of the Indebtedness, and notwithstanding the survival of certain obligations of the Institution as described in Section 11.8 hereof, the Issuer and the

Holder shall upon the request of the Institution execute and deliver to the Institution such documents as the Institution may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Issuer and the Holder hereunder.

SECTION 5.3. INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE. (A) The Institution shall pay installment purchase payments for the Project Facility as follows: on or before each Bond Payment Date, the Institution shall make an installment purchase payment in an amount equal to the Debt Service Payment due and payable on such Bond Payment Date and all other amounts then due or past due on the Bond, including any late charges accruing thereon and any acceleration or prepayment of principal and accrued interest thereon. All installment purchase payments pursuant to this Section 5.3(A) shall be made directly to the Holder for application against the amounts then payable on the Bond.

(B) The Institution shall pay the following as additional installment purchase payments:

(1) Within thirty (30) days after receipt of a demand therefor from the Disbursing Agent, the Institution shall pay to the Disbursing Agent any amount payable to the Disbursing Agent as the reasonable fees and expenses of the Disbursing Agent for performing its obligations under the Bond Purchase Agreement, and the sum of the expenses of the Disbursing Agent reasonably incurred in performing the obligations of (a) the Issuer or the Institution under this Installment Sale Agreement, or (b) the Issuer under the Bond, the Bond Purchase Agreement or this Installment Sale Agreement; and

(2) Within thirty (30) days after receipt of a demand therefor from the Issuer, the Institution shall pay to the Issuer the sum of the reasonable expenses of the Issuer and the officers, members, agents and employees thereof incurred by reason of the Issuer's ownership, financing or sale of the Project Facility or in connection with the carrying out of the Issuer's duties and obligations under this Installment Sale Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Institution, the Bond or any of the other Financing Documents, the payment of which is not otherwise provided for under this Installment Sale Agreement.

(C) The Institution agrees to make the above mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event the Institution shall fail to make any payment required by this Section 5.3 within ten (10) days of the date such payment is due, the Institution shall pay the same, together with interest thereon at the Default Rate or the maximum rate permitted by law, whichever is less, from the date on which such payment was due until the date on which such payment is made.

SECTION 5.4. NATURE OF OBLIGATIONS OF THE INSTITUTION HEREUNDER. (A) The obligations of the Institution to make the payments required by this Installment Sale Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Institution and shall be absolute and unconditional irrespective of any defense or any right of setoff, recoupment,

counterclaim or abatement that the Institution may otherwise have against the Issuer or the Holder. The Institution agrees it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in, this Installment Sale Agreement, or terminate this Installment Sale Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the acquisition of the Project Facility, any defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Institution's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Issuer to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Installment Sale Agreement.

(B) Nothing contained in this Section 5.4 shall be construed to release the Issuer from the performance of any of the agreements on its part contained in this Installment Sale Agreement, and, in the event the Issuer should fail to perform any such agreement, the Institution may institute such action against the Issuer as the Institution may deem necessary to compel performance or recover damages for non-performance (subject to the provisions of Section 11.10 hereof); provided, however, that the Institution shall look solely to the Issuer's estate and interest in the Project Facility for the satisfaction of any right or remedy of the Institution for the collection of a judgment (or other judicial process) requiring the payment of money by the Issuer in the event of any liability on the part of the Issuer, and no other Property or assets of the Issuer or of the members, officers, agents (other than the Institution) or employees of the Issuer shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Institution's remedies under or with respect to this Installment Sale Agreement, the relationship of the Issuer and the Institution hereunder or the Institution's purchase of and title to the Project Facility, or any other liability of the Issuer to the Institution.

SECTION 5.5. PREPAYMENT OF INSTALLMENT PURCHASE PAYMENTS. At any time that the Bond is subject to prepayment, to the extent and subject to the conditions upon which prepayment of the Bond is permitted by the terms thereof, the Institution may, at its option, pay moneys (in addition to any other moneys required or permitted to be paid pursuant to this Installment Sale Agreement) to the Holder as a partial or complete prepayment of the amount to become due on the Bond. The Institution shall notify the Issuer and the Holder, in writing, of any such prepayment.

SECTION 5.6. RIGHTS AND OBLIGATIONS OF INSTITUTION UPON DISCHARGE OF LIEN OF MORTGAGE. (A) Subject to the provisions of Section 5.6(B) hereof, in the event the Bond shall have been paid in full, the Issuer shall request the Holder discharge the Lien of the Mortgage on the Project Facility.

(B) The conditions that must be satisfied in order to obtain the discharge and satisfaction of the Lien of the Mortgage on the Project Facility shall be determined in accordance with the provisions of the Mortgage. In the event that such conditions are satisfied, the Issuer shall request the Holder to do all acts and execute all documents as may reasonably be necessary to

effect discharge of the Lien of the Mortgage on the Project Facility and at the request of the Institution shall do all acts and execute all documents as may reasonably be necessary to discharge the Lien of the Mortgage on the Project Facility to the extent the same may be discharged.

SECTION 5.7. GRANT OF SECURITY INTEREST. The Institution hereby grants the Issuer a security interest in all of the right, title and interest of the Institution in the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefor and all proceeds thereof and all books, records and accounts of the Institution pertaining to the Project Facility as security for payment of the installment purchase payments and all other payments and obligations of the Institution hereunder. The Institution hereby irrevocably appoints the Issuer as its attorney-in-fact to execute and deliver and file any instruments necessary or convenient to perfect and continue the security interest granted herein.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1. MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY. (A) So long as the Bond is outstanding and during the term of this Installment Sale Agreement, the Institution shall (1) keep the Project Facility in good condition and repair and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), and (3) operate the Project Facility in a sound and economic manner.

(B) After the Construction Period, the Institution shall not make any structural additions, modifications or improvements (which shall not include routine maintenance), having a cost in excess of \$250,000 in any year, to the Project Facility or any part thereof unless:

(1) the Institution shall (a) give or cause to be given all notices and comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on such addition, modification or improvement to the Project Facility, or a part thereof, (b) defend and save the Issuer and the Holder and their respective officers, members, agents (other than the Institution) and employees harmless from all fines and penalties due to failure to comply therewith, (c) promptly procure all permits and licenses necessary for the prosecution of any work described in this Section 6.1(B) and (d) make all payments in lieu of taxes required by Section 6.6 hereof;

(2) the addition, modification or improvement to the Project Facility shall not constitute a default under any of the Financing Documents;

(3) the Institution shall furnish to the Issuer and the Holder, at least thirty (30) days prior to commencing such addition, modification or improvement to the Project Facility, detailed plans and specifications therefor; and

(4) the Institution shall furnish to the Issuer and the Holder at least thirty (30) days prior to commencing such addition, modification or improvement to the Project Facility an opinion of Bond Counsel, in form and substance satisfactory to the Issuer and the Holder, that the exclusion from gross income for federal income tax purposes of the interest payable on the Bond will not be adversely affected thereby;

provided, further, however, that the prior written consent of the Issuer nor the Holder shall not be required for nonstructural additions, modifications or improvements to the Project Facility which do not reduce the value of the Project Facility as collateral.

(C) The Facility and the Equipment shall not be removed, demolished or materially altered (except for normal replacement and repair of the Equipment), without the consent of the Holder.

SECTION 6.2. TAXES, ASSESSMENTS AND UTILITY CHARGES. (A) The Institution shall pay or cause to be paid, as the same respectively become due, (1) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility, (2) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, and (3) all assessments and charges of any kind whatsoever lawfully made against the Project Facility by any Governmental Authority 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 hereunder to pay only such installments as are required to be paid during all periods that the Bond shall be outstanding.

(B) Notwithstanding the provisions of subsection (A) of this Section 6.2, the Institution may withhold any such payment and the Institution may in good faith actively contest the validity or the applicability of any payment referred to in such subsection (A), provided that the Institution (1) first shall have notified the Issuer and the Holder in writing of such contest, (2) is not in default under any of the Financing Documents and (3) demonstrates to the reasonable satisfaction of the Holder that the withholding of such payment will not materially endanger the Lien of any Financing Document on the Project Facility or subject the Project Facility or any part thereof to loss or forfeiture. Otherwise, the Institution shall promptly take such action with respect thereto as shall be satisfactory to the Issuer and the Holder.

SECTION 6.3. INSURANCE REQUIRED. So long as the Bond is outstanding and during the term of this Installment Sale Agreement, the Institution shall maintain insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(A) (1) During and prior to completion of the Project Facility, builder's risk (or equivalent coverage) insurance upon any work done or material furnished in connection with the acquisition, construction and installation of the Project Facility, issued to the Institution and the Issuer as insureds and the Holder as mortgagee and loss payee, as their interests may appear, and written in completed value form for the full insurable value of the Project Facility, and (2) at such time that builder's risk insurance is no longer available by virtue of completion of the acquisition of the Project Facility, insurance protecting the interests of the Institution and the Issuer as insureds and the Holder as mortgagee and loss payee, as their interests may appear, against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief and other perils normally insured against with a uniform extended coverage endorsement, such insurance at all times to be in an amount not less than the greater of the unpaid principal amount of the Bond or the actual cash value of the Project Facility as determined at least once every three (3) years by a recognized appraiser or insurer selected by the Institution and approved by the Issuer and the Holder, which approval shall not be unreasonably withheld or delayed.

(B) The Institution will keep any buildings on the Land insured against loss by flood if the Land is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under

the National Flood Insurance Act of 1968; and will assign and deliver the policies to the Holder; and will reimburse the Holder for any premiums paid for insurance made by the Holder on the Institution's default in so insuring the buildings or in so assigning and delivering the policies.

(C) To the extent applicable, workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Institution is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Institution who are located at or assigned to the Project Facility or who are responsible for the acquisition of the Project Facility.

(D) Insurance protecting the Institution, the Issuer and the Holder against loss or losses from liabilities imposed by law or assumed in any written contract (including, without limitation, the contractual liability assumed by the Institution under Section 8.2, 8.12 and Section 3.3(D) of this Installment Sale Agreement) and arising from personal injury or death or damage to the Property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per person per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the Property of others, excluding liability imposed upon the Institution by any applicable workers' compensation law, and a separate umbrella liability policy protecting the Institution, the Issuer and the Holder with a limit of not less than \$5,000,000.

(E) Certificates satisfactory in form and substance to the Issuer and the Holder to evidence all insurance required hereby shall be delivered to the Issuer and the Holder on or before the Closing Date.

(F) THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR IN LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE INSTITUTION'S BUSINESS OR INTEREST.

SECTION 6.4. ADDITIONAL PROVISIONS RESPECTING INSURANCE. All insurance required by Section 6.3 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Institution and authorized to write such insurance in the State and satisfactory to the Issuer and the Holder. 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 such insurance shall name the Institution and the Issuer as insureds and Holder as mortgagee and loss payee, as their interests may appear, and provide for at least thirty (30) days' written notice to the Institution, the Issuer and the Holder prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof. The insurance required by Section 6.3(A) hereof shall contain a standard non-contributory mortgagee endorsement in favor of the Holder as mortgagee and loss payee. All insurance required hereunder shall be in form, content and coverage satisfactory to the Issuer and the Holder. Certificates satisfactory in form and substance to the Issuer and the Holder to evidence all insurance required hereby shall be delivered to the Issuer and the Holder on or before the Closing Date. The Institution shall deliver to the Issuer and the Holder on or before the first

business day of each calendar year thereafter a certificate dated not earlier than the immediately preceding November 1 reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4 hereof. At least thirty (30) days prior to the expiration of any such policy, the Institution shall furnish to the Issuer and the Holder evidence that the policy has been renewed or replaced or is no longer required by this Installment Sale Agreement.

(B) All premiums with respect to the insurance required by Section 6.3 hereof shall be paid by the Institution; provided, however, that, if the premiums are not timely paid, the Issuer or the Holder may pay such premiums and the Institution shall pay immediately upon demand all sums so expended by the Issuer or the Holder together with interest thereon at a rate of two percent (2%) per month or the highest rate permitted by law, whichever is less.

SECTION 6.5. APPLICATION OF NET PROCEEDS OF INSURANCE. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be applied as follows: (A) the Net Proceeds of the insurance required by Section 6.3(A) and 6.3(D) hereof shall be paid to the Holder and applied as provided in Section 7.1 hereof, and (B) the Net Proceeds of the insurance required by Section 6.3(B) and 6.3(C) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6. PAYMENTS IN LIEU OF TAXES. (A) It is recognized that under the provisions of the Act the Issuer is required to pay no taxes or assessments upon any of the Property acquired by it or under its jurisdiction, control or supervision or upon its activities. It is not the intention, however, of the parties hereto that the Project Facility be treated as exempt from real property taxation solely by reason of the involvement of the Issuer with the Project.

(B) In the event that the Project Facility would be subject to real property taxation if owned by the Institution but shall be deemed exempt from real property taxation due to the involvement of the Issuer therewith, the Issuer and the Institution hereby agree that the Institution, or any subsequent user of the Project Facility under this Installment Sale Agreement, shall be required to make or cause to be made payments in lieu of taxes to the school district or school districts, city, town, county, village and other political units wherein the Project Facility is located having taxing powers (such political units are hereinafter collectively referred to as the "Taxing Entities") in such amounts as would result from taxes being levied on the Project Facility by the Taxing Entities if the Project Facility were privately owned by the Institution and not deemed owned by or under the jurisdiction, control or supervision of the Issuer, but with appropriate reductions similar to the tax exemptions and credits, if any, which would be afforded to the Institution if it were the owner of the Project Facility. It is agreed that the Issuer, in cooperation with the Institution, (1) shall cause the Project Facility to be valued for purposes of determining the amounts due hereunder as if owned by the Institution as aforesaid by the appropriate officer or officers of any of the Taxing Entities as may from time to time be charged with responsibility for making such valuations, (2) shall cause to be appropriately applied to the valuation or valuations so determined the respective tax rate or rates of the Taxing Entities that would be applicable to the Project Facility if so privately owned, (3) shall cause the appropriate officer or officers of the Taxing Entities charged with the duty of levying and collecting such taxes to submit to the Institution, when the respective levies are made for purposes of such taxes

upon Property privately owned as aforesaid, statements specifying the amounts and due dates of such taxes which the Taxing Entities would receive if such Property were so privately owned by the Institution and not deemed owned by or under the jurisdiction, control or supervision of the Issuer, and (4) shall file with the appropriate officer or officers any accounts or tax returns furnished to the Issuer by the Institution for the purpose of such filing.

(C) The Institution shall pay or cause to be paid to the Taxing Entities when due all such payments in lieu of taxes with respect to the Project Facility required by Section 6.4(B) of this Installment Sale Agreement to be paid to the Taxing Entities, subject in each case to the Institution's right to (1) obtain exemptions and credits, if any, which would be afforded to a private owner of the Project Facility, including any available exemption under Section 485-b of the New York Real Property Tax Law with respect to the Project Facility, (2) contest valuations of the Project Facility made for the purpose of determining such payments therefrom, and (3) seek to obtain a refund of any such payments made.

(D) Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by this Section 6.6 when due, the Company shall pay the same, together with a late payment penalty equal to five percent (5%) of the amount due. If the Company shall fail to make any payment required by this Section 6.6 when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the affected Taxing Entity until such payment in default shall have been made in full, and the Company shall pay the same to the affected Taxing Entity together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. DAMAGE OR DESTRUCTION. (A) If the Project Facility shall be damaged or destroyed in whole or in part:

(1) the Issuer shall have no obligation to replace, repair, rebuild or restore the Project Facility;

(2) there shall be no abatement or reduction in the amounts payable by the Institution under this Installment Sale Agreement (whether or not the Project Facility is replaced, repaired, rebuilt or restored);

(3) the Institution shall promptly give notice thereof to the Issuer and the Holder; and

(4) except as otherwise provided in subsection (B) of this Section 7.1,

(a) the Institution shall promptly replace, repair, rebuild or restore the Project Facility to substantially the same 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 in writing by the Issuer and the Holder, provided that such changes, alterations or modifications do not so change the nature of the Project Facility that it does not (i) constitute a "project", as such quoted term is defined in the Act, or change the use of the Project Facility as specified in Section 3.2 hereof without the prior written consent of the Issuer and the Holder, or (ii) adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bond; and

(b) the Disbursing Agent shall make available to the Institution (from the Net Proceeds of any insurance settlement held in the Insurance and Condemnation Fund) in accordance with Section 406 of the Bond Purchase Agreement such moneys as may be necessary to pay the costs of the replacement, repair, rebuilding or restoration of the Project Facility. In the event such Net Proceeds held in the Insurance and Condemnation Fund are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Institution shall nonetheless complete such work and shall pay from its own moneys that portion of the costs thereof in excess of such funds. Any balance of such Net Proceeds remaining in the Insurance and Condemnation Fund after payment of all of the costs of such replacement, repair, rebuilding or restoration shall be used first to prepay the Bond and then applied as provided in subsection (C) below.

(B) Notwithstanding anything to the contrary contained in subsection (A) of this Section 7.1, in the event that the damage to the Project Facility exceeds the sum of all indebtedness then secured by a Lien on the Project Facility or any part thereof, the Institution shall not be obligated

to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied as provided in subsection (A) of this Section 7.1, if the Institution shall notify the Issuer and the Holder that it elects to cause the Bond to be prepaid. In such event, or if an Event of Default shall have occurred and be continuing, the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility, or (2) the amount necessary to prepay the Bond in whole and all interest accrued thereon, together with any other sums payable to the Issuer or the Holder pursuant to this Installment Sale Agreement, shall be applied to the prepayment of the Bond and payment of all such amounts to the Issuer and the Holder. If the Net Proceeds collected under any and all policies of insurance are less than the amount necessary to prepay the Bond in full and pay any and all amounts payable under the Financing Documents to the Issuer and the Holder, the Institution shall pay to the Holder the difference between such amounts and the Net Proceeds of all insurance settlements so that the Bond shall be prepaid and all amounts payable under the Financing Documents to the Issuer and the Holder shall be paid in full.

(C) If the Bond is no longer outstanding and all other amounts due under this Installment Sale Agreement and the other Financing Documents are paid in full, all such Net Proceeds or the balance thereof shall be paid to the Institution for its purposes.

(D) Unless an Event of Default under any of the Financing Documents shall have occurred and be continuing, the Institution may adjust all claims under any policies of insurance required by Section 6.3(A) and 6.3(D) hereof.

SECTION 7.2. CONDEMNATION. (A) If title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation:

- (1) the Issuer shall have no obligation to restore the Project Facility;
- (2) there shall be no abatement or reduction in the amounts payable by the Institution under this Installment Sale Agreement (whether or not the Project Facility is restored);
- (3) the Institution shall promptly give notice thereof to the Issuer and the Holder;
and
- (4) except as otherwise provided in subsection (B) of this Section 7.2,
 - (a) the Institution shall promptly restore the Project Facility (excluding any part of the Land or 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 in writing by the Issuer and the Holder, provided that such changes, alterations or modifications do not so change the nature of the Project Facility that it does not (i) constitute a "project", as such quoted term is defined in the Act, or change the use of the Project Facility as specified in Section 3.2 hereof without the prior written consent of the Issuer and the Holder, or (ii) adversely affect

the exclusion from gross income for federal income tax purposes of the interest payable on the Bond; and

(b) the Disbursing Agent shall make available to the Institution (from the Net Proceeds of any Condemnation award held in the Insurance and Condemnation Fund) in accordance with Section 406 of the Bond Purchase Agreement such moneys as may be necessary to pay the costs of the restoration of the Project Facility. In the event such Net Proceeds held in the Insurance and Condemnation Fund are not sufficient to pay in full the costs of such restoration, the Institution shall nonetheless complete such restoration and shall pay from its own moneys that portion of the costs thereof in excess of such funds. Any balance of such Net Proceeds remaining in the Insurance and Condemnation Fund after payment of all of the costs of such restoration shall be used first to prepay the Bond and then applied as provided in subsection (D) below.

(B) Notwithstanding anything to the contrary contained in subsection (A) of this Section 7.2, in the event the taking of the Project Facility or any part thereof exceeds the sum of all indebtedness then secured by a Lien on the Project Facility or any part thereof, the Institution shall not be obligated to restore the Project Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in subsection (A) of this Section 7.2, if the Institution shall notify the Issuer and the Holder that in the Institution's sole judgment, the Institution does not deem it practical or desirable to restore the Project Facility. In such event, the lesser of (1) the Net Proceeds of any Condemnation award, or (2) the amount necessary to prepay the Bond in whole and all interest accrued thereon, together with any other sums payable to the Issuer or the Holder pursuant to this Installment Sale Agreement, shall be applied to the prepayment of the Bond and payment of all such amounts to the Issuer and the Holder. If the Net Proceeds collected under any and all Condemnation awards are less than the amount necessary to prepay the Bond in full and pay any and all amounts payable under the Financing Documents to the Issuer and the Holder, the Institution shall pay to the Holder the difference between such amounts and the Net Proceeds of such Condemnation awards so that the Bond shall be prepaid and any and all amounts payable under the Financing Documents to the Issuer and the Holder shall be paid in full.

(C) If title to, or use of, all or substantially all of the Project Facility shall be taken by Condemnation:

(1) neither the Issuer nor the Institution shall have any obligation to restore the Project Facility;

(2) there shall be no abatement or reduction in the amounts payable by the Institution under this Installment Sale Agreement; and

(3) the Net Proceeds of any Condemnation award shall be applied as provided in subsection (B) of this Section 7.2.

(D) If the Bond is no longer outstanding and all other amounts due under this Installment Sale Agreement and the other Financing Documents have been paid in full, all such Net Proceeds or the balance thereof shall be paid to the Institution for its purposes.

(E) Unless an Event of Default under any of the Financing Documents shall have occurred and be continuing, the Institution shall have sole control of any Condemnation proceeding with respect to the Project Facility or any part thereof and may negotiate the settlement of any such proceeding, except that the consent of the Holder shall be required for the settlement of any award in excess of \$250,000 which consent shall not be unreasonably withheld. The Issuer shall, at the 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 such Condemnation proceeding without the written consent of the Institution and the Holder.

(F) The Issuer shall, at the 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 such Condemnation proceeding without the written consent of the Institution and the Holder.

SECTION 7.3. ADDITIONS TO THE PROJECT FACILITY. All replacement, repairs, rebuilding or restoration made pursuant to Sections 7.1 or 7.2, whether or not requiring the expenditure of the Institution's own money shall automatically become part of the Project Facility as if the same were specifically described herein.

SECTION 7.4. EXCESS PROCEEDS. (A) All Net Proceeds of (1) title insurance, (2) any insurance policies maintained pursuant to Section 6.3 (A) or (B) hereof, (3) any Condemnation award relating to the Project Facility, (4) any recovery against a contractor, subcontractor, materialman or surety pursuant to Section 4.6 hereof or (5) any other proceeds of the Project Facility (all of such Net Proceeds being sometimes collectively hereinafter referred to as "Project Facility Proceeds") received by the Institution or the Issuer shall, immediately upon receipt, be delivered to the Holder for deposit into the Insurance and Condemnation Fund created as provided in Article IV of the Bond Purchase Agreement.

(B) If the Bond or any portion thereof shall be outstanding and the Holder, in its sole discretion pursuant to Section 7.1(B) hereof or any other provision hereof or of the other Financing Documents, proposes to apply (or allow the Institution or the Issuer to apply) any of the Project Facility Proceeds to a purpose other than (1) the completion, repair, replacement rebuilding or restoration of the Project Facility or (2) the prepayment of the Bond, the Holder shall not so apply the Project Facility Proceeds unless and until the Institution furnishes to the Holder, at the sole cost and expense of the Institution, an opinion of Bond Counsel, in form and substance satisfactory to the Issuer and the Holder, that the tax-exempt status of the interest paid or payable on the Bond will not be adversely affected thereby.

(C) If all of the Indebtedness has been paid in full, all such Project Facility Proceeds (or the balance thereof) shall be paid to the Institution for its purposes.

ARTICLE VIII

SPECIAL COVENANTS

SECTION 8.1. NO WARRANTY OF CONDITION OR SUITABILITY BY 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 PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE INSTITUTION'S PURPOSES OR NEEDS. THE INSTITUTION SHALL ACCEPT TITLE TO THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE ISSUER FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

SECTION 8.2. HOLD HARMLESS PROVISIONS. (A) The Institution hereby releases the Issuer and its members, officers, agents (other than the Institution) and employees from, agrees that the Issuer and its members, officers, agents (other than the Institution) and employees shall not be liable for and agrees to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Institution) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Issuer's undertaking the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Issuer's financing, acquiring, constructing, reconstructing, equipping, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Issuer's obligations under this Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bond, (3) all claims arising from the exercise by the Institution of the authority conferred on it pursuant to Section 4.1(E) hereof, and (4) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Issuer are not incurred or do not result from the intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Institution) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer or any of its officers, members, agents (other than the Institution) or employees and notwithstanding the breach of any statutory obligation or any rule or comparative or apportioned liability.

(B) In the event of any claim against the Issuer or its members, officers, agents (other than the Institution) or employees by any employee of the Institution or any contractor 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 damages, compensation or benefits payable by or for the Institution or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) To effectuate the provisions of this Section 8.2, the Institution agrees to provide for and insure, in the liability policies required by Section 6.3(C) of this Installment Sale Agreement, its liabilities assumed pursuant to this Section 8.2.

(D) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Institution pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Installment Sale Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Issuer, or its officers, members, agents (other than the Institution) or employees, relating thereto.

SECTION 8.3. RIGHT OF ACCESS TO PROJECT FACILITY. The Institution agrees that the Issuer and the Holder and their duly authorized agents shall have the right at all reasonable times to enter upon and to examine and inspect the Project Facility.

SECTION 8.4. INSTITUTION NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS; CONDITIONS UNDER WHICH EXCEPTIONS PERMITTED. The Institution agrees that, so long as the Bond is outstanding, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it; provided, however, that, if no Event of Default specified in Section 10.1 hereof shall have occurred and be continuing, the Institution may consolidate with or merge into another domestic corporation organized and existing under the laws of one of the states of the United States, or permit one or more such domestic corporations to consolidate with or merge into it, or sell or otherwise transfer to another Person all or substantially all of its assets as an entirety and thereafter dissolve, provided (A) that the Issuer and the Holder give their prior written consent, which consent of the Issuer and the Holder shall not be unreasonably withheld or delayed, (B) that the surviving, resulting or transferee corporation is a "501(c)(3) organization" (as such quoted term is used in Section 145 of the Code) and assumes in writing all of the obligations of and restrictions on the Institution under this Installment Sale Agreement and the other Financing Documents, (C) that the proposed transaction will not, in and of itself, adversely affect the tax-exempt status of the interest paid or payable on the Bond, and (D) that as of the date of such transaction, the Holder and the Issuer shall be furnished with (1) an opinion of counsel to the Institution as to compliance with Item (B) of this Section 8.4, (2) an opinion of Bond Counsel as to compliance with Item (C) of this Section 8.4 and (3) a certificate, dated the effective date of

such transaction, signed by an Authorized Representative of the Institution and of the surviving, resulting or transferee corporation, as the case may be, or the transferee of its assets to the effect that immediately after the consummation of the transaction and after giving effect thereto, no Event of Default exists under this Installment Sale Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default.

SECTION 8.5. AGREEMENT TO PROVIDE INFORMATION. The Institution agrees to, whenever requested by the Issuer or the Holder, provide and certify or cause to be provided and certified such information concerning the Institution, its finances and other topics as the Issuer or the Holder from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Issuer and the Holder to make any reports required by law or governmental regulation.

SECTION 8.6. BOOKS OF RECORD AND ACCOUNT; COMPLIANCE CERTIFICATES. (A) 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.

(B) Upon written request of the Issuer and the Holder, the Institution shall furnish to the Issuer and the Holder within thirty (30) days of such request a certificate of an Authorized Representative of the Institution stating that no Event of Default hereunder has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Institution has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of the Bond and accrued but unpaid interest thereon and that no defenses, offsets or counterclaims exist with respect to the indebtedness evidenced thereby.

SECTION 8.7. COMPLIANCE WITH APPLICABLE LAWS. (A) The Institution agrees that it will, during any period in which the Bond is outstanding and during the term of this Installment Sale Agreement, promptly comply with all Applicable Laws.

(B) Notwithstanding the provisions of subsection (A) of this Section 8.7, the Institution may in good faith actively contest the validity or the applicability of any requirement of the nature referred to in such subsection (A), provided that the Institution (1) first shall have notified the Issuer and the Holder in writing of such contest, (2) is not in default under any of the Financing Documents, (3) shall have set aside adequate reserves for any such requirement, and (4) demonstrates to the reasonable satisfaction of Issuer and the Holder that noncompliance with such requirement will not materially endanger the Lien of the Mortgage on the Project Facility or subject the Project Facility or any part thereof to loss or forfeiture. Otherwise, the Institution shall promptly take such action with respect thereto as shall be satisfactory to the Issuer and the Holder.

(C) Notwithstanding the provisions of subsection (B) of this Section 8.7, if the Issuer or any of its members, officers, agents, servants or employees may be liable for prosecution for failure to comply therewith, the Institution shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

SECTION 8.8. DISCHARGE OF LIENS AND ENCUMBRANCES. (A) The Institution hereby agrees not to create or suffer to be created any other Lien, except for Permitted Encumbrances, on the Project Facility or any part thereof or any funds of the Issuer applicable to the Project Facility.

(B) Notwithstanding the provisions of subsection (A) of this Section 8.8, the Institution may in good faith actively contest any such Lien, provided that the Institution (1) first shall have notified the Issuer and the Holder in writing of such contest, (2) is not in default under any of the Financing Documents, and (3) such Lien shall be removed promptly by the Institution or secured by the Institution's posting a bond in form and substance satisfactory to the Issuer and the Holder.

SECTION 8.9. PERFORMANCE BY ISSUER OR HOLDER OF INSTITUTION'S OBLIGATIONS. Should the Institution fail to make any payment or to do any act as herein provided, the Issuer or the Holder may, but need not, without notice to or demand on the Institution and without releasing the Institution from any obligation herein, 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 shall pay immediately upon demand all sums so expended by the Issuer or the Holder under the authority hereof, together with interest thereon at the Default Rate or the maximum permitted by law, whichever is less.

SECTION 8.10. DEPRECIATION DEDUCTIONS AND TAX CREDITS. To the extent applicable, the parties agree that as between them the Institution shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 " and to all other state and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

SECTION 8.11. IDENTIFICATION OF EQUIPMENT. All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Installment Sale Agreement shall be properly identified by the Institution by such appropriate records, including computerized records, as may be approved by the Issuer and the Holder.

SECTION 8.12. INDEMNIFICATION OF HOLDER. (A) Notwithstanding any other provisions of the Financing Documents, the Institution agrees to indemnify and hold the Holder, and its directors, officers, agents and employees, harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of the execution, delivery or performance of the Financing Documents, provided that the same are not a result of the gross negligence or willful misconduct of the Holder.

(B) Notwithstanding any other provisions of this Installment Sale Agreement or other Financing Documents, the obligations of the Institution pursuant to this Section 8.12 shall remain

in full force and effect after the termination of this Installment Sale Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all reasonable fees, expenses and charges paid or incurred by the Holder, or its directors, officers, agents or employees, relating thereto.

(C) To effectuate the provisions of this Section 8.12, the Institution agrees to provide for and insure, in the liability policies required by Section 6.3(C) of this Installment Sale Agreement, its liabilities assumed pursuant to this Section 8.12.

SECTION 8.13. EMPLOYMENT OPPORTUNITIES. (A) The Institution shall ensure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

(B) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Institution agrees (1) to list all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division ("NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) ("JTPA") in which the Project is located and (2), where practicable, to first consider for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

(C) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Institution agrees to file with the Issuer, on an annual basis, reports regarding the number of people employed at the Project Facility and certain other matters, the initial said report to be in substantially the form annexed hereto as Exhibit E.

SECTION 8.14. COVENANT AGAINST ARBITRAGE BONDS. So long as the Bond shall be Outstanding, neither the Issuer nor the Institution shall use, or direct or permit the use of, the proceeds of the Bond or any other moneys within their respective control (including, without limitation, the proceeds of any insurance settlement or any Condemnation award with respect to the Project Facility) in any manner which, if such use had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be an "arbitrage bond" within the meaning ascribed to such quoted term on 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, and further provided that such merger or assignment shall not obligate the Institution to any more stringent requirements than are set forth in the Financing Documents.

ARTICLE IX

ASSIGNMENTS; MERGER OF ISSUER

SECTION 9.1. ASSIGNMENT OF INSTALLMENT SALE AGREEMENT. This Installment Sale Agreement may not be assigned by the Institution, in whole or in part, without the prior written consent of the Issuer and the Holder, which consent of the Issuer and the Holder will not be unreasonably withheld or delayed, provided that:

(A) No assignment (other than pursuant to Section 8.4 hereof) shall relieve the Institution from primary liability for any of its obligations hereunder;

(B) The assignee shall be qualified to transact business in the State of New York and shall assume the obligations of the Institution hereunder to the extent of the interest assigned;

(C) The Institution shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Holder a true and complete copy of such assignment and the instrument of assumption;

(D) The Project Facility shall continue to constitute a "project", as such quoted term is defined in the Act; and

(E) The proposed assignment will not adversely affect the exclusion of the interest payable on the Bonds from the gross income of the Holder for federal income tax purposes.

SECTION 9.2. PLEDGE AND ASSIGNMENT OF ISSUER'S INTERESTS TO HOLDER. The Issuer has pledged and assigned, pursuant to the terms of the Pledge and Assignment, certain of its rights and interests under and pursuant to this Installment Sale Agreement to the Holder as security for the payment of the principal of and interest on the Bond. The pledge and assignment under the Pledge and Assignment shall in no way impair or diminish any obligations of the Issuer under this Installment Sale Agreement. The Institution hereby acknowledges receipt of notice of and consents to such pledge and assignment by the Issuer to the Holder and specifically agrees to perform for the benefit of the Holder all of its duties and undertakings hereunder (except duties undertaken with respect to the Unassigned Rights).

SECTION 9.3. MERGER OF ISSUER. (A) Nothing contained in this Installment Sale Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or assignment by the Issuer of its rights and interests hereunder to, any other public benefit corporation of the State or political subdivision thereof which has the legal authority to perform the obligations of the Issuer hereunder, provided that (1) in the opinion of Bond Counsel, the exclusion of the interest paid or payable on the Bond from the gross income of the Holder thereof for Federal income tax purposes shall not be adversely affected thereby; and (2) upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of this Installment Sale Agreement and the Bond to be kept and performed by the Issuer shall be expressly assumed in writing by the public benefit

corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Issuer's rights and interests hereunder or under this Installment Sale Agreement shall be assigned.

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

SECTION 9.4. SALE OR LEASE OF PROJECT FACILITY. (A) The Institution may not sell, lease, transfer, convey or otherwise dispose of the Project Facility or any part thereof, without the prior written consent of the Issuer and the Holder, which consent of the Issuer and the Holder will not be unreasonably withheld or delayed.

(B) In no event, however, shall the Issuer or the Holder consent to any sale, lease, transfer, sublease, conveyance or other disposition of the Project Facility, or any part thereof, prior to receipt of an opinion of Bond Counsel that such disposition will not adversely affect the exclusion of the interest paid or payable on the Bond from the gross income of the Holder thereof for Federal income tax purposes.

(C) Notwithstanding anything to the contrary contained herein, in any instance after the Completion Date where the Institution determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Institution may remove such item of Equipment and may sell, trade in, exchange or otherwise dispose of the same, as a whole or in part, without the prior written consent of the Issuer or the Holder, provided that such removal will not materially impair the value of the Project Facility as collateral and provided the same is forthwith replaced with similar items of Equipment, free from all Liens other than the Liens created by the Financing Documents. At the request of the Institution, the Issuer shall execute and deliver, and shall request the Holder to 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 Financing Documents. The Institution shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from the Liens of the Financing Documents any item of Equipment removed pursuant to this Section 9.4.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. EVENTS OF DEFAULT DEFINED. (A) The following shall be “Events of Default” under this Installment Sale Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(1) If the Institution (a) fails to punctually pay within fifteen (15) days of the due date the amounts specified to be paid pursuant to Section 5.3(A) or (b) causes or permits the non-renewal, cancellation, material reduction of benefits or material change in coverage of insurance policies within the period specified in Section 6.4 hereof without, in the case of non-renewal or cancellation, substituting insurance policies that comply with Sections 6.3 and 6.4 hereof for a period of 10 days.

(2) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Institution in this Installment Sale Agreement and the continuance thereof for a period of thirty (30) days after written notice is given by the Issuer or the Holder to the Institution, or, if such covenant, condition or agreement is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Institution to commence to cure within such thirty (30) day period and to prosecute the same with due diligence.

(3) The occurrence of an “Event of Default” under any of the other Financing Documents.

(4) Any representation or warranty made by the Institution herein or in any other Financing Document proves to have been false at the time it was made.

(5) The Institution shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due.

(6) Any sale, conveyance, lease agreement or any other change of ownership of the Project Facility, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Issuer or the Institution (except pursuant to this Installment Sale Agreement) of their respective interest in the Project Facility or any part thereof or the granting of any easements or restrictions or the permitting of any encroachments on the Project Facility (except as permitted in this Installment Sale Agreement).

(7) (a) The filing by the Institution (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (b) the failure by the Institution within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Institution’s ability to carry out its obligations hereunder, (c) the commencement of a case under Title 11 of the United

States Code against the Institution as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Institution and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days, (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Institution, or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Institution, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(8) The imposition of a Lien on the Project Facility other than a Lien being contested as provided in Section 8.8 of this Installment Sale Agreement or a Permitted Encumbrance.

(9) The removal of any Equipment, or any portion thereof, outside Albany County, New York, without the prior written consent of the Issuer and the Holder, other than in connection with a removal under Section 9.4(C) hereof.

(10) Final judgment for the payment of money in excess of \$50,000.00 shall be rendered against the Institution and the Institution shall not discharge the same or cause it to be bonded or discharged within sixty (60) days from the entry thereof, or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered and secure a stay of execution pending such appeal.

(B) Notwithstanding the provisions of Section 10.1(A) hereof, if by reason of force majeure (as hereinafter defined) either party hereto shall be unable in whole or in part to carry out its obligations under this Installment Sale Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Holder within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Installment Sale Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (B) shall not be deemed an Event of Default under this Section 10.1. Notwithstanding anything to the contrary in this subsection (B), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Institution to make the payments required by Sections 4.5, 5.3 and 6.6 hereof, to obtain and continue in full force and effect the insurance required by Article VI hereof, to provide the indemnity required by Sections 8.2 and 8.12 hereof and to comply with the provisions of Sections 2.2(E), 4.5, 8.2, 8.4, 8.5 and 8.7(C) hereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of any Governmental Authority or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, partial or entire failure of utilities. It is

agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

SECTION 10.2. REMEDIES ON DEFAULT. (A) Whenever any Event of Default shall have occurred, the Issuer may, at its discretion, and to the extent permitted by law, take any one or more of the following remedial steps:

(1) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all unpaid installment purchase payments payable pursuant to Section 5.3(A) hereof, and (b) all other payments due under this Installment Sale Agreement or any of the other Financing Documents;

(2) re-enter and take possession of the Project Facility, enforce or terminate this Installment Sale Agreement, sell the Project Facility, subject to Permitted Encumbrances, at public or private sale, as a whole or piecemeal, for such consideration as may be deemed appropriate in the circumstances, and hold the Institution liable for the amount, if any, by which the aggregate unpaid amounts due hereunder exceed the Net Proceeds received upon such sale, or manage and operate the Project Facility, collect all or any rents accruing there from, let or relet the Project Facility or any part thereof for the Issuer's own account or the account of the Institution, holding the Institution liable for payments due up to the effective date of such leasing and for the difference in the rent and other amounts paid by the lessee pursuant to such lease and the installment purchase payments and other amounts payable by the Institution hereunder, cancel or modify leases, evict tenants, bring or defend any suits in connection with the possession of the Project Facility in its own name or in the Institution's name, make repairs as the Issuer deems appropriate, and perform such other acts in connection with the management and operation of the Project Facility as the Issuer, in its discretion, may deem proper; or

(3) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Institution under this Installment Sale Agreement.

(B) Any sums paid to the Issuer as a consequence of any action taken pursuant to this Section 10.2 (excepting sums payable to the Issuer as a consequence of action taken to enforce the Unassigned Rights) shall be paid to the Holder and applied in accordance with the provisions of the Financing Documents.

(C) No action taken pursuant to this Section 10.2 (including repossession of the Project Facility) shall relieve the Institution from its obligations to make all payments required by this Installment Sale Agreement and the other Financing Documents.

SECTION 10.3. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Issuer or the Holder is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Holder to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 10.4. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Institution should default under any of the provisions of this Installment Sale Agreement and the Issuer or the Holder should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Institution herein contained, the Institution shall, on demand therefor, pay to the Issuer or the Holder, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. NOTICES. (A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Institution:

La Salle School
391 Western Avenue
Albany, New York
Attention: Mr. William Wolff, Executive Director

With a Copy to:

Tobin and Grifferty, PC
One Executive Centre Drive
Albany, New York
Attention: Stephen J. Grifferty, Esq.

If to the Issuer:

Albany County Industrial Development Agency
112 State Street, Room 1116
Albany, New York 12207
Attention: Chairman

With a Copy to:

Dennis A. Feeney, Esq.
Agency Counsel
Albany County Industrial Development Agency
112 State Street, Room 1116
Albany, New York 12207

And a Copy to:

A. Joseph Scott, III, Esq.
Hodgson Russ LLP
3 City Square
Albany, New York 12207

If to the Holder:

The Troy Savings Bank
Hedley Park Place
433 River Street
Troy, New York 12180
Attention: Mr. Peter Cosgrove, Vice President

With a Copy to:

Martin, Shudt, Wallace, DiLorenzo
& Johnson
The Dauchy Building
279 River Street
Troy, New York 12181
Attention: Kirby W. DiLorenzo, Esq.

(B) A duplicate copy of each notice, certificate and other communication given hereunder by the Issuer or the Institution shall be given to the Holder.

(C) The Issuer, the Institution and the Holder may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 11.2. BINDING EFFECT. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Institution and the Holder and, as permitted by this Installment Sale Agreement, their respective successors and assigns.

SECTION 11.3. SEVERABILITY. If any one or more of the covenants or agreements provided herein on the part of the Issuer or the Institution to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Installment Sale Agreement.

SECTION 11.4. AMENDMENTS, CHANGES AND MODIFICATIONS. This Installment Sale Agreement may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto, with the written consent of the Holder.

SECTION 11.5. EXECUTION OF COUNTERPARTS. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.6. APPLICABLE LAW. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11.7. RECORDING AND FILING. (A) The Deed to Issuer, this Installment Sale Agreement (or a memorandum thereof), the Mortgage, the Assignment of Rents, the Pledge and Assignment and financing statements perfecting the security interests thereby created and/or assigned thereby shall be recorded or filed, as the case may be, by the Institution in the office of the County Clerk of Albany County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

(B) The Issuer and the Institution shall execute and deliver all instruments and shall furnish all information which the Holder may deem necessary or appropriate to protect any Lien created or contemplated by this Installment Sale Agreement or any of the other Financing Documents.

SECTION 11.8. SURVIVAL OF OBLIGATIONS. (A) The obligations of the Institution to make the payments required by Section 5.3(B) hereof and to provide the indemnity required by Sections 3.3, 8.2 and 8.12 hereof shall survive the termination of this Installment Sale Agreement and the full payment of the Bond, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Institution with respect to the Unassigned Rights shall survive the termination of this Installment Sale Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the Unassigned Rights 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, or its officers, members, agents or employees, relating thereto.

(C) The obligation of the Institution to make installment purchase payments under Section 5.3(A) with respect to any premium due on the Bonds upon an occurrence of an Event of Taxability hereof shall survive the termination of this Installment Sale Agreement.

SECTION 11.9. TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING. The Table of Contents and the headings of the several Sections in this Installment Sale 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 Installment Sale Agreement.

SECTION 11.10. NO RECOURSE; SPECIAL OBLIGATION. (A) The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent (other than the Institution) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Institution) and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Issuer contained herein and therein shall not constitute or give rise to an obligation of the State of New York or Albany County, New York, and neither the State of New York nor Albany County, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

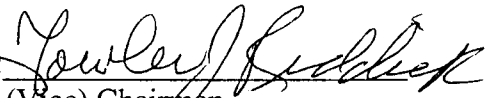
(C) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten [10] days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Institution) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, hold harmless and defend the Issuer and its members, officers, agents (other than the Institution) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Institution) and employees against all liability expected to be incurred as a result of compliance with such request.

SECTION 11.11. SUBORDINATION TO MORTGAGE. This Installment Sale Agreement and all rights of the Institution and the Issuer hereunder are and shall be subordinate to the Lien of the Mortgage on the Project Facility. The subordination of this Installment Sale Agreement to the Mortgage shall be automatic, without the execution of any further subordination agreement by the Institution or the Issuer. Nonetheless, if the Holder requires a further written subordination

agreement, the Institution and the Issuer hereby agree to execute, acknowledge and deliver the same.

IN WITNESS WHEREOF, the Issuer and the Institution have caused this Installment Sale Agreement to be executed in their respective names by their respective Authorized Representatives, all as of the day and year first above written.

ALBANY COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: 
(Vice) Chairman

LA SALLE SCHOOL

BY: 
Authorized Officer

STATE OF NEW YORK)

:ss.

COUNTY OF ALBANY)

On the 4th day of December, in the year 2002, before me, the undersigned personally appeared FOWLER J. RIDDICK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

A. JOSEPH SCOTT III
Notary Public, State of New York
Qualified in Albany County
Commission Expires Dec. 31, 2006

STATE OF NEW YORK)
) ss:
COUNTY OF ALBANY)

On the 5TH day of December in the year 2002 before me, the undersigned, a notary public in and for said state, personally appeared WILLIAM C. WOLFF, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

BARBARA R. SCHEUERMANN
Notary Public, State of New York
Qualified in Albany County
No. 02SC4805664
Commission Expires September 30, 2006

EXHIBIT A
DESCRIPTION OF THE LAND

[See Attached]

SCHEDULE A - DESCRIPTION

Policy No. 2203- 69501

The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND situate on the north side of Western Avenue in the City and County of Albany and State of New York, which premises are more particularly bounded and described as follows:

BEGINNING at the point of intersection of the north line of Western Avenue with the west line of Partridge Street and running from said point of beginning Westerly along said north line of Western Avenue for a distance of Seven hundred fifty and seventy six hundredths (750.76) feet to the point of intersection of the east line of LaSalle Street (formerly Erie Street) with said north line of Western Avenue; running thence Northeasterly with an interior angle of 75 deg. 14' 39" along LaSalle Street for a distance of 440.96 feet to a point; running thence Southeasterly with an interior angle of 90 degrees for a distance of 726 feet to a point in the west line of Partridge Street; running thence Southwesterly with an interior angle of 90 degrees for a distance of 294.74 feet to the point or place of beginning. Said last course forming an interior angle of 104 deg. 45' 21" with the course first hereinabove described.

Excepting the premises described as follows:

ALL THAT CERTAIN PARCEL OF LAND situate in the City of Albany, County of Albany and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point in the westerly bounds of O'Leary Boulevard, said point being located 20.00 feet northerly as measured along the westerly bounds of O'Leary Boulevard from its intersection with the northerly bounds of Western Avenue; thence from said point of beginning, running through the lands now or formerly of LaSalle School as described in Book 2114 of Deeds at Page 1001 the following 13 (thirteen) courses and distances:

1. Westerly, making an interior angle of 90°-00'-00" with the westerly bounds of O'Leary Boulevard a distance of 66.00 feet to a point;
2. Northerly, making an interior angle of 90°-00'-00" with the last described course a distance of 49.00 feet to a point;
3. Northerly, making an interior angle of 193°-02'-34" with the last described course a distance of 49.01 feet to a point;
4. Westerly, making an interior angle of 256°-57'-26" with the last described course a distance of 188.00 feet to a point;
5. Westerly, making an interior angle of 216°-16'-34" with the last described course a distance of 23.76 feet to a point;

6. Southerly, making an interior angle of $233^{\circ}-46'-24''$ with the last described course a distance of 101.59 feet to a point;
7. Westerly, making an interior angle of $89^{\circ}-57'-02''$ with the last described course a distance of 92.00 feet to a point;
8. Southerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 75.00 feet to a point;
9. Westerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 87.00 feet to a point;
10. Northerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 152.00 feet to a point;
11. Easterly, making an interior angle of $107^{\circ}-23'-44''$ with the last described course a distance of 125.05 feet to a point;
12. Easterly, making an interior angle of $162^{\circ}-36'-16''$ with the last described course a distance of 50.00 feet to a point;
13. Northerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 134.26 feet to a point;

Thence Easterly, along the north bounds of lands now or formerly of LaSalle School and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 293.80 feet to a point in the westerly bounds of O'Leary Boulevard; thence Southerly, along the westerly bounds of O'Leary Boulevard and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 229.74 feet to the point of beginning.

EXHIBIT B

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, and all appurtenances thereto acquired with the proceeds of the Bond or any payment made by La Salle School (the "Institution") pursuant to Section 4.5 of the installment sale agreement dated as of December 1, 2002 (the "Installment Sale Agreement") by and between Albany County Industrial Development Agency and the Institution and recorded in the office of the County Clerk, Albany County, New York and now or hereafter attached to, contained in or used in connection with the Land (as defined in the Installment Sale Agreement) and/or the Facility (as defined in the Installment Sale Agreement) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

EXHIBIT C

FORM OF TERMINATION OF UNDERLYING LEASE

WHEREAS, LA SALLE SCHOOL (the "Institution") and ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Issuer") entered into a lease to issuer dated as of December 1, 2002 (the "Underlying Lease") pursuant to which the Issuer was granted a leasehold interest in certain real property of the Institution for the purpose of undertaking and completing the Project (as defined in the Underlying Lease); and

WHEREAS, pursuant to Section 5.2 of an Installment Sale Agreement dated as of December 1, 2002 between the Institution and the Issuer, the Institution and the Issuer further agreed that the Underlying Lease would be terminated upon completion of the Project; and

WHEREAS, the Project has been completed on or before the date hereof;

NOW, THEREFORE, it is hereby agreed that the Underlying Lease is terminated as of the dated date hereof.

IN WITNESS WHEREOF, the Institution and the Issuer have signed this termination of lease agreement as of the ____ day of December, 2002.

IN WITNESS WHEREOF, for the purposes above set forth, the parties hereto have caused this Termination of Underlying Lease to be executed and delivered by their respective duly authorized officers, and to be dated as of the date first set forth above.

ALBANY COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
(Vice) Chairman

LA SALLE SCHOOL

BY: _____
Authorized Officer

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year ____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A
DESCRIPTION OF THE LAND

[See Attached]

SCHEDULE A - DESCRIPTION

Policy No. 2203- 69501

The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND situate on the north side of Western Avenue in the City and County of Albany and State of New York, which premises are more particularly bounded and described as follows:

BEGINNING at the point of intersection of the north line of Western Avenue with the west line of Partridge Street and running from said point of beginning Westerly along said north line of Western Avenue for a distance of Seven hundred fifty and seventy six hundredths (750.76) feet to the point of intersection of the east line of LaSalle Street (formerly Erie Street) with said north line of Western Avenue; running thence Northeasterly with an interior angle of 75 deg. 14' 39" along LaSalle Street for a distance of 440.96 feet to a point; running thence Southeasterly with an interior angle of 90 degrees for a distance of 726 feet to a point in the west line of Partridge Street; running thence Southwesterly with an interior angle of 90 degrees for a distance of 294.74 feet to the point or place of beginning. Said last course forming an interior angle of 104 deg. 45' 21" with the course first hereinabove described.

Excepting the premises described as follows:

ALL THAT CERTAIN PARCEL OF LAND situate in the City of Albany, County of Albany and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point in the westerly bounds of O'Leary Boulevard, said point being located 20.00 feet northerly as measured along the westerly bounds of O'Leary Boulevard from its intersection with the northerly bounds of Western Avenue; thence from said point of beginning, running through the lands now or formerly of LaSalle School as described in Book 2114 of Deeds at Page 1001 the following 13 (thirteen) courses and distances:

1. Westerly, making an interior angle of 90°-00'-00" with the westerly bounds of O'Leary Boulevard a distance of 66.00 feet to a point;
2. Northerly, making an interior angle of 90°-00'-00" with the last described course a distance of 49.00 feet to a point;
3. Northerly, making an interior angle of 193°-02'-34" with the last described course a distance of 49.01 feet to a point;
4. Westerly, making an interior angle of 256°-57'-26" with the last described course a distance of 188.00 feet to a point;
5. Westerly, making an interior angle of 216°-16'-34" with the last described course a distance of 23.76 feet to a point;

6. Southerly, making an interior angle of $233^{\circ}-46'-24''$ with the last described course a distance of 101.59 feet to a point;
7. Westerly, making an interior angle of $89^{\circ}-57'-02''$ with the last described course a distance of 92.00 feet to a point;
8. Southerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 75.00 feet to a point;
9. Westerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 87.00 feet to a point;
10. Northerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 152.00 feet to a point;
11. Easterly, making an interior angle of $107^{\circ}-23'-44''$ with the last described course a distance of 125.05 feet to a point;
12. Easterly, making an interior angle of $162^{\circ}-36'-16''$ with the last described course a distance of 50.00 feet to a point;
13. Northerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 134.26 feet to a point;

Thence Easterly, along the north bounds of lands now or formerly of LaSalle School and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 293.80 feet to a point in the westerly bounds of O'Leary Boulevard; thence Southerly, along the westerly bounds of O'Leary Boulevard and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 229.74 feet to the point of beginning.

EXHIBIT D

FORM OF BILL OF SALE
TO INSTITUTION

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having an office for the transaction of business located at 112 State Street, Room 1116, Albany, New York (the "Grantor"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from LA SALLE SCHOOL, a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 391 Western Avenue, Albany, New York (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, all those materials, machinery, equipment, fixtures or furnishings which are described in Exhibit B attached hereto (the "Equipment") now owned or hereafter acquired by the Grantor, which Equipment is located or intended to be located on a parcel of land (the "Land") located at 391 Western Avenue in the City of Albany, Albany County, New York, which land is more particularly described on Exhibit A attached hereto.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE EQUIPMENT OR ANY PART THEREOF FOR THE GRANTEE'S PURPOSES OR NEEDS. THE GRANTEE SHALL ACCEPT TITLE TO THE EQUIPMENT "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns,

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by the individual described herein on the date indicated beneath the signature of such individual and dated as of the ____ day of _____, 200__.

ALBANY COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
(Vice) Chairman

EXHIBIT A
DESCRIPTION OF THE LAND

[See Attached]

SCHEDULE A - DESCRIPTION

Policy No. 2203- 69501

The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND situate on the north side of Western Avenue in the City and County of Albany and State of New York, which premises are more particularly bounded and described as follows:

BEGINNING at the point of intersection of the north line of Western Avenue with the west line of Partridge Street and running from said point of beginning Westerly along said north line of Western Avenue for a distance of Seven hundred fifty and seventy six hundredths (750.76) feet to the point of intersection of the east line of LaSalle Street (formerly Erie Street) with said north line of Western Avenue; running thence Northeasterly with an interior angle of 75 deg. 14' 39" along LaSalle Street for a distance of 440.96 feet to a point; running thence Southeasterly with an interior angle of 90 degrees for a distance of 726 feet to a point in the west line of Partridge Street; running thence Southwesterly with an interior angle of 90 degrees for a distance of 294.74 feet to the point or place of beginning. Said last course forming an interior angle of 104 deg. 45' 21" with the course first hereinabove described.

Excepting the premises described as follows:

ALL THAT CERTAIN PARCEL OF LAND situate in the City of Albany, County of Albany and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point in the westerly bounds of O'Leary Boulevard, said point being located 20.00 feet northerly as measured along the westerly bounds of O'Leary Boulevard from its intersection with the northerly bounds of Western Avenue; thence from said point of beginning, running through the lands now or formerly of LaSalle School as described in Book 2114 of Deeds at Page 1001 the following 13 (thirteen) courses and distances:

1. Westerly, making an interior angle of 90°-00'-00" with the westerly bounds of O'Leary Boulevard a distance of 66.00 feet to a point;
2. Northerly, making an interior angle of 90°-00'-00" with the last described course a distance of 49.00 feet to a point;
3. Northerly, making an interior angle of 193°-02'-34" with the last described course a distance of 49.01 feet to a point;
4. Westerly, making an interior angle of 256°-57'-26" with the last described course a distance of 188.00 feet to a point;
5. Westerly, making an interior angle of 216°-16'-34" with the last described course a distance of 23.76 feet to a point;

6. Southerly, making an interior angle of $233^{\circ}-46'-24''$ with the last described course a distance of 101.59 feet to a point;
7. Westerly, making an interior angle of $89^{\circ}-57'-02''$ with the last described course a distance of 92.00 feet to a point;
8. Southerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 75.00 feet to a point;
9. Westerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 87.00 feet to a point;
10. Northerly, making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 152.00 feet to a point;
11. Easterly, making an interior angle of $107^{\circ}-23'-44''$ with the last described course a distance of 125.05 feet to a point;
12. Easterly, making an interior angle of $162^{\circ}-36'-16''$ with the last described course a distance of 50.00 feet to a point;
13. Northerly, making an interior angle of $270^{\circ}-00'-00''$ with the last described course a distance of 134.26 feet to a point;

Thence Easterly, along the north bounds of lands now or formerly of LaSalle School and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 293.80 feet to a point in the westerly bounds of O'Leary Boulevard; thence Southerly, along the westerly bounds of O'Leary Boulevard and making an interior angle of $90^{\circ}-00'-00''$ with the last described course a distance of 229.74 feet to the point of beginning.

EXHIBIT B

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, and all appurtenances thereto acquired with the proceeds of the Bond or any payment made by La Salle School (the "Institution") pursuant to Section 4.5 of the installment sale agreement dated as of December 1, 2002 (the "Installment Sale Agreement") by and between Albany County Industrial Development Agency and the Institution and recorded in the office of the County Clerk, Albany County, New York and now or hereafter attached to, contained in or used in connection with the Land (as defined in the Installment Sale Agreement) and/or the Facility (as defined in the Installment Sale Agreement) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

EXHIBIT E

EMPLOYMENT PLAN STATUS REPORT

To Be Filed by

COMPANY NAME:

ADDRESS:

TYPE OF BUSINESS:

CONTACT PERSON:

TELEPHONE NUMBER:

<u>Occupation</u>	<u>Number of New Jobs</u>	<u>Number Listed^{1/}</u>	<u>Number Filled</u>
			Job Service Division Applicants
			Job Training Partnership Act eligible persons

¹With local Jobs Service Division and local service delivery office created pursuant to the Job Training Partnership Act.