

CLOSING ITEM NO.: A-3

TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY

AND

WALDEN PRESERVATION, L.P.

INSTALLMENT SALE AGREEMENT

DATED AS OF JULY 1, 2015

CERTAIN RIGHTS OF TOWN OF MONTGOMERY 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 WELLS FARGO BANK, NATIONAL ASSOCIATION, AS BOND OWNER REPRESENTATIVE (THE "BOND OWNER REPRESENTATIVE") PURSUANT TO THE TRUST INDENTURE DATED AS OF JULY 1, 2015 BETWEEN THE ISSUER AND THE BOND OWNER REPRESENTATIVE.

THIS INSTALLMENT SALE AGREEMENT IS INTENDED TO CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK.

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT dated as of July 1, 2015 (the "**Installment Sale Agreement**") by and between TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York (the "**State**") having an office for the transaction of business located at 110 Bracken Road, Montgomery, New York (the "**Issuer**"), and WALDEN PRESERVATION, L.P., a limited partnership organized and existing under the laws of the State of New York having an office for the transaction of business located at 60 Columbus Circle, Floor 20, New York, New York (the "**Company**");

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "**Enabling Act**") and Chapter 524 of the 1971 Laws of New York, as amended, constituting Section 911-c of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "**Act**") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction and installation of one or more "projects" (as defined in the Act), to acquire, construct and install said projects or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, the Company presented an application (the "**Application**") to the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Company or such other person or entity as may be designated by the Company and agreed upon by the Issuer, said Project to consist of the following: (A)(1) the acquisition of certain parcels of land containing approximately 5.33 acres located at 400 Cliff Street and 55 Main Street in the Village of Walden, Town of Montgomery, Orange County, New York (the "**Land**") together with the five existing housing buildings containing 89 apartments totaling approximately 80,000 square feet (the "**Facility**"), (2) the renovation of the Facility, and (3) the acquisition and installation therein and thereon of machinery and equipment (the "**Equipment**") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "**Project Facility**"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Bonds; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Bonds, the "**Financial Assistance**"); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person or entity as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in a resolution of the Issuer adopted by the members of the Issuer on February 19, 2015 (the "**Preliminary Inducement Resolution**"), the Chief Executive Officer of the Issuer (A) established the time, date and place for a public hearing of the Issuer (the "**Public Hearing**") 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 nature and location of the Project Facility and the issuance of the Obligations, said Public Hearing to be held in a city, town or village where the Project Facility is or is to be located; (B) caused the Public Hearing Notice to be posted at offices of the Issuer, (C) caused the Public Hearing Notice to be published in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, New York, (D) caused the Public Hearing Notice to be mailed on February 26, 2015 to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located; (E) conducted the Public Hearing on March 16, 2015 at 5:30 o'clock p.m., local time at the offices of the Issuer located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; (G) caused a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the "**Report**") to be prepared; (H) caused a copy of the Report to be made available to the members of the Issuer and (I) caused a copy of the Report to be made available to the Town Board of the Town of Montgomery, New York (the "**Town Board**"); and

WHEREAS, by resolution adopted by the members of the Issuer on May 11, 2015 (the "**SEQR Resolution**"), the Issuer determined that the Project constituted a "**Type II action**" (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project was required under SEQRA; and

WHEREAS, by resolution of the members of the Town Board adopted on June 11, 2015 (the "**Public Approval**"), the Town Board approved the issuance of the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Issuer will now issue its Multifamily Housing Revenue Bonds (The Cedars Apartments Project), Series 2015 in the aggregate principal amount of \$7,600,000 (the "**Bonds**") for the purpose of financing a portion of the costs of the Project; and

WHEREAS, the Bonds are to be issued under a resolution adopted by the members of the Issuer on May 11, 2015 (the "**Bond Resolution**") and a trust indenture dated as of July 1, 2015 (the "**Indenture**") by and between the Issuer and Wells Fargo Bank, National Association (the "**Bond Owner Representative**"); and

WHEREAS, prior to or simultaneously with the issuance of the Bonds, (A) the Company and the Issuer will execute and deliver the Underlying Lease, pursuant to which the Company has agreed to lease the Land and the Facility to the Issuer for a term ending in accordance with Section 5.2(A) hereof, (B) the Company will execute and deliver (1) a bill of sale dated as of July 1, 2015 (the "**Bill of Sale to Issuer**") from the Company to the Issuer, pursuant to which the Company will convey to the Issuer the Company's interest in the portion of the Project Facility constituting fixtures and other personal property, and (C) the Issuer will execute and deliver (1) this Installment Sale Agreement and (2) certain other documents related to the Project and to the Bonds (collectively with the Indenture and the Installment Sale Agreement, the "Financing Documents"); and

WHEREAS, pursuant to the terms of this Installment Sale Agreement, (A) the Company agrees (1) to cause the Project to be undertaken and completed, (2) as agent of the Issuer, to undertake and complete the Project, (3) to purchase the Project Facility from the Issuer, and (4) to make certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (B) the Issuer will agree to (1) undertake the Project, (2) appoint the Company as agent of the Issuer to undertake and complete the Project, and (3) sell the Project Facility to the Company; and

WHEREAS, pursuant to the terms of the Indenture, the net proceeds of the sale of the Bonds (the “Bond Proceeds”) will be deposited into various trust funds held by the Bond Owner Representative under the Indenture and will be disbursed by the Bond Owner Representative from time to time to pay the costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth the Indenture and in the Installment Sale Agreement; and

WHEREAS, as security for the Bonds, the Issuer will execute and deliver to the Bond Owner Representative a pledge and assignment dated as of July 1, 2015 (the “**Pledge and Assignment**”) from the Issuer to the Bond Owner Representative, which Pledge and Assignment will assign to the Bond Owner Representative, for the benefit of the Purchaser (as defined herein), certain of the Issuer’s rights under the Installment Sale Agreement; and

WHEREAS, pursuant to the Pledge and Assignment, installment purchase payments made by the Company under this Installment Sale Agreement are to be paid directly to the Bond Owner Representative; and

WHEREAS, to further secure the Bonds, the Company and the Issuer will execute and deliver to the Bond Owner Representative (A) an acquisition loan mortgage with absolute assignment of leases and rents, security agreement and fixture filing, dated as of July 1, 2015 (the “**Acquisition Loan Mortgage**”), (B) a building loan mortgage with absolute assignment of leases and rents, security agreement and fixture filing, dated as of July 1, 2015 (the “**Building Loan Mortgage**”) and (C) a project loan mortgage with absolute assignment of leases and rents, security agreement and fixture filing, dated as of July 1, 2015 (the “**Project Loan Mortgage**”, collectively with the Acquisition Loan Mortgage and the Building Loan Mortgage, the “**Mortgage**”) which grant to the Bond Owner Representative a mortgage lien on and security interest in the Project Facility and which assign to the Bond Owner Representative all leases affecting the Project Facility and the rents payable thereunder; and

WHEREAS, the Company’s obligations under the Installment Sale Agreement will be further secured by a guaranty (acquisition), a guaranty (building loan) and a guaranty (project loan), each dated as of July 1, 2015 (collectively, the “**Company Guaranty**”) and each from the Company to the Bond Owner Representative; and

WHEREAS, the Bonds will be initially purchased by Wells Fargo Municipal Capital Strategies, LLC (the “**Purchaser**”) pursuant to a continuing covenants agreement dated as of July 1, 2015 (the “**Continuing Covenants Agreement**”) by and between the Purchaser and the Company and consented to by the Issuer; and

WHEREAS, the Company shall agree to certain covenants for the benefit of the Purchaser pursuant to the Continuing Covenants Agreement; and

WHEREAS, pursuant to Section 146 of the Code, the Issuer has previously applied to the New York Department of Economic Development (“**NYSDDED**”) for an allocation of private activity bond volume cap (“**Volume Cap**”) for the Bonds; and

WHEREAS, pursuant to a notification of allocation adjustment dated July 10, 2015 from NYSDDED (the “**Volume Cap Notice**”), NYSDDED has notified the Issuer that the Issuer has been allocated sufficient Volume Cap to permit issuance of the Bonds; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance

of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Bonds (the "Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Bonds, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (the "**Information Return**") pursuant to Section 149(e) of the Code, and (3), upon receipt from NYSDED of the certification required by Section 149(e)(2)(F) of the Code (the "**Volume Cap Certificate**"), file the Information Return with the Internal Revenue Service (the "**IRS**"), (B) the Company will execute (1) a land use restriction agreement dated as of July 1, 2015 (the "**Land Use Restriction Agreement**") relating to the requirements in Section 142 of the Code, and (2) a tax regulatory agreement dated the Closing Date (the "**Tax Regulatory Agreement**") relating to the requirements in Sections 142, 146, 147, 148 and 149 of the Code, and (C) the Purchaser will execute a letter (the "**Issue Price Letter**") confirming the issue price of the Bonds on the Closing Date for purposes of Section 148 of the Code; and

WHEREAS, simultaneously with the issuance of the Bonds, (A) the Issuer will execute and deliver to the Company a sales tax exemption (the "**Sales Tax Exemption Letter**") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (B) the Issuer will file with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "**Thirty-Day Sales Tax Form**"); and

WHEREAS, pursuant to the terms of this Installment Sale Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, (2) as agent of the Issuer, to undertake and complete the Project, (3) to purchase the Project Facility from the Issuer, and (4) to make certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (B) the Issuer will agree to (1) undertake the Project, (2) appoint the Company as agent of the Issuer to undertake and complete the Project, and (3) sell the Project Facility to the Company; and

WHEREAS, the providing of the Project Facility and the sale of the Project Facility to the Company 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 Company;

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. Unless the context or use indicates another or different meaning or intent, all of the capitalized terms used in this Installment Sale Agreement and the preambles hereto not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Appendix A and made a part hereof, and if not defined herein, shall have the meanings set forth in the Indenture.

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.

(D) Any headings preceding the texts of the several Articles and Sections of this Installment Sale Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Installment Sale Agreement nor affect its meaning, construction or effect.

(E) 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 the Issuer's 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 made by the Company 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, reconstructed and installed and will sell its interest in the Project Facility to the Company 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 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 for the Permitted Encumbrances and as contemplated or allowed by the terms of this Installment Sale Agreement and the other Financing Documents.

(E) To assist in financing a portion of the Cost of the Project related to the Project, the Issuer will issue and sell the Bonds. 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 Bonds to be or become subject to federal income taxation under the Code.

(F) The Issuer shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the Internal Revenue Service as the Company or the Bond Owner Representative requests in writing and which Bond Counsel advises the Issuer in writing is necessary to preserve the tax-exempt status of the interest payable on the Bonds, provided the Company shall bear all costs of preparing, gathering and/or filing such returns and other information. In addition, the Issuer, at the request of the Company, shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the State and Town of Montgomery, New York.

(G) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect 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 Bonds shall be Outstanding, the Issuer will not take any action (or omit to take any action required by the Financing Documents or which the Bond Owner Representative or the Company, 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 cause (1) the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (2) adversely affect the exclusion of the interest paid or payable on any Tax-Exempt Bond from gross income for federal income tax purposes. 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 Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

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

(A) The Company is a limited partnership duly organized and validly existing under the laws of the State of New York, is duly authorized to do business in the State of New York, has the power to enter into this Installment Sale Agreement and the other Financing Documents to which the Company 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 Company 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 Company is a party, and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of the Company's partners.

(B) Neither the execution and delivery of this Installment Sale Agreement or the other Financing Documents to which the Company is a party, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the provisions of this Installment Sale Agreement or the other Financing Documents to which the Company is a party will (1) conflict with or result in a breach of or a default under any of the terms, conditions or provisions of the Company's organizational or governance documents or any other corporate restriction or any order, judgment, agreement or instrument to which the Company is a party or by which the Company is bound, or constitute a default under any of the foregoing, or (2) result in the creation or imposition of any Lien of any nature upon any property of the Company other than pursuant to the Financing Documents and Permitted Encumbrances, or (3) require consent under (which has not been heretofore received) any corporate restriction or any order, judgment, agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected, or (4) require consent under (which has not been heretofore received), 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 Company or any of the property of the Company (except building permits to be obtained as previously disclosed).

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

(D) Although the Project does 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 predominant purpose of the Project will make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the village within which the Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services.

(E) The Financing Documents to which the Company 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 Company, enforceable in accordance with their respective terms.

(F) The Project Facility is, and so long as any Bond shall be Outstanding and/or this Installment Sale Agreement shall remain in effect, the Project Facility will continue to be, a "project", as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Financing Documents or which the Bond Owner Representative or the Issuer, together with Bond Counsel, advise the Company 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, (2) adversely affect the exclusion of the interest paid or payable on the Bonds from gross income for federal income tax purposes, or (3) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(G) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Company 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. The Company shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents, directors and employees harmless from all fines and penalties due to failure to comply therewith, except due to Issuer negligence or willful misconduct.

(H) The Project will not have a "significant impact on the environment" (within the meaning of such term as used in SEQRA), and the Company hereby covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the SEQR Resolution adopted by the Issuer on May 11, 2015 under SEQRA with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen from the date of the adoption of such resolution which would cause the determinations of the Issuer contained therein to be untrue.

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

(J) All of the proceeds of the Bonds shall be used to pay the costs of the Project, which cost is not expected to be less than \$8,500,000, and at least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code), and the Company will not request or authorize any disbursement, which, if paid, would result in less than 95% of the net proceeds of the Bonds being so used.

(K) The Company acknowledges receipt of notice of Section 874(8) of the Act, which provides that, if the Company claims any sales tax exemption by virtue of the Issuer's involvement in the Project, the Company as agent of the Issuer 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 Company under the authority granted by the Issuer.

(L) Reserved.

(M) The Company will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectation and covenants made by the Company 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.

(N) All proceeds of the Bonds 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 Bonds, shall not be less than the total Bond Proceeds advanced by the Bond Owner Representative under the Indenture. In no event will "costs of issuance" (within the meaning of Section 147(g) of the Code) paid from the proceeds of the Bonds exceed two percent (2%) of the proceeds of the Bonds.

(O) The Company agrees, if and when required, to comply with the Securities and Exchange Commission Rule 15c2-12, to provide any necessary information to cause all necessary compliance with Rule 15c2-12 and to pay all costs of the Issuer, if any, in respect of such compliance.

SECTION 2.3. COVENANT WITH THE BOND OWNER REPRESENTATIVE AND THE BONDHOLDERS. The Issuer and the Company agree that this Installment Sale Agreement is executed in part to induce the purchase of the Bonds by the Holders and Owners from time to time of the Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Company set forth in this Installment Sale Agreement (other than the Unassigned Rights) are hereby declared to be for the benefit of the Issuer, the Bond Owner Representative, and the Holders and Owners from time to time of the Bonds.

ARTICLE III

CONVEYANCE AND USE OF THE PROJECT FACILITY

SECTION 3.1. CONVEYANCE TO THE ISSUER. (A) Pursuant to the Conveyance Documents, the Company has or will grant, or will cause to be granted, to the Issuer (a) a leasehold interest in the Land and the Facility and (b) title to the Equipment, and (2) the Company has granted to the Issuer permission to enter upon the Land and the Facility for the purpose of undertaking and completing the Project. The Company shall execute, deliver and record or file all instruments necessary to appropriate to so vest title in the Issuer and shall take all action necessary or appropriate to protect such title against claims of any third Persons. The Company shall, however, be entitled to physical possession and control of the Project Facility and shall be liable at all times for all risk, loss and damage with respect to the Project Facility.

(B) The Company has or will convey, or will cause to be conveyed, to the Issuer title to the Equipment pursuant to the Bill of Sale to Issuer. The Company represents and warrants that the Issuer has or will have good and marketable title to the Equipment, free and clear of all Liens except for Permitted Encumbrances, and agrees that it will defend, indemnify and hold the Issuer and the Bond Owner Representative harmless from any expense or liability due to any defect in title thereto.

SECTION 3.2. USE OF THE PROJECT FACILITY. Subsequent to the Closing Date, (A) unless an Event of Default has occurred and is continuing, the Company shall have sole and exclusive (as between the Company and the Issuer) possession and use of the Project Facility, and (B) the Company shall be entitled to use the Project Facility as a residential rental facility, related administration support services and uses related thereto.

SECTION 3.3. HAZARDOUS MATERIALS. (A) The Company hereby represents and warrants to the Bond Owner Representative that, to the best of its knowledge and except as disclosed in the environmental reports delivered in connection with the Financing Documents (1) no Hazardous Material is currently located at, on, in, under or about the Project Facility, (2) no releasing, emitting, discharging, leaching, dumping, disposing or transporting of any Hazardous Material from the Project Facility onto any other property or from any other property onto or into the Project Facility has occurred or is occurring in violation of any Applicable Law, (3) no notice of violation, non-compliance, liability or potential liability, lien, complaint, suit, order or other notice with respect to the Project Facility is presently outstanding under any Applicable Law, nor does the Company have knowledge or reason to believe that any such notice will be received or is being threatened, and (4) the Project Facility and the operation thereof are in full compliance with all Applicable Laws.

(B) The Company shall comply, and shall use commercially reasonable efforts to cause all tenants or other occupants of the Project Facility to comply, in all respects with all Applicable Laws, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any tenant or other occupant of the Project Facility to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, or about the Project Facility in a manner that could lead or potentially lead to the imposition on the Company, the Bond Owner Representative or the Project Facility of any liability or lien of any nature whatsoever under any Applicable Law. The Company shall notify the Bond Owner Representative promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Project Facility which is required to be reported to a Governmental Authority under any Applicable Law, will promptly forward to the Bond Owner Representative copies of any notices received by the Company relating to alleged violations of any Applicable Law or any potential liability under any Applicable Law and will promptly pay when due any fine or assessment against the Bond Owner Representative, the Company or the Project Facility relating to any Applicable Law. If at any time

it is determined that the operation or use of the Project Facility is in violation of any Applicable Law or that there are Hazardous Materials located at, in, on, under or about the Project Facility which, under any Applicable Law, require special handling in collection, storage, treatment or disposal, or any form of cleanup or corrective action, the Company shall, within thirty (30) days after receipt of notice thereof from any Governmental Authority or from the Bond Owner Representative, take, at the Company's sole cost and expense, such actions as may be necessary to fully comply in all respects with all Applicable Laws, provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, the Company shall commence such necessary action within such thirty (30) day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Applicable Laws.

(C) If the Company fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action described in paragraph (B) above, the Bond Owner Representative may, in its sole and absolute discretion, make advances or payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by the Bond Owner Representative (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from the Company and shall bear interest at the Default Interest Rate from the date any such sums are so advanced or paid by the Bond Owner Representative until the date any such sums are repaid by the Company to the Bond Owner Representative. The Company will execute and deliver, promptly upon request, such instruments as the Bond Owner Representative may deem useful or necessary to permit the Bond Owner Representative to take any such action, and such additional notes and mortgages, as the Bond Owner Representative may require to secure all sums so advanced or paid by the Bond Owner Representative. If a lien is filed against the Project Facility by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of the Company or for which the Company is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material into the waters or onto land located within or without the state where the Project Facility is located, then the Company will, within thirty (30) days from the date that the Company is first given notice that such lien has been placed against the Project Facility (or within such shorter period of time as may be specified by the Issuer if such Governmental Authority has commenced steps to cause the Project Facility to be sold pursuant to such lien), either (1) pay the claim and remove the lien, or (2) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to the Issuer and is sufficient to effect a complete discharge of such lien on the Project Facility.

(D) If the Project Facility is foreclosed, or if the Company tenders a deed or assignment in lieu of foreclosure, the Company shall deliver the Project Facility to the purchaser at foreclosure or to the Issuer or its nominee, or wholly-owned subsidiary, as the case may be, in a condition that complies in all respects with all Applicable Laws.

(E) The Company will defend, indemnify, and hold harmless the Issuer and the Bond Owner Representative, and the employees, agents, officers and directors of the Issuer and the Bond Owner Representative, from and against any and all claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, reasonable counsel and reasonable consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) arising out of, or in any way related to, (1) any breach by the Company of any of the provisions of this Section 3.3, (2) the presence, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Materials which is at, in, on, under, about, form or affecting the

Project Facility, including, without limitation, any damage or injury resulting from any such Hazardous Material to or affecting the Project Facility or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Project Facility or on any other property or otherwise, (3) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Material, (4) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Material, or (5) any violation of any Applicable Law or any policy or requirement of the Bond Owner Representative hereunder unless the Company establishes pursuant to a final non-appealable court order that such claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs or expenses first arise after the Company is no longer in possession of the Project Facility. The aforesaid indemnification shall, notwithstanding any exculpatory or other provision of any other document or instrument now or hereafter executed and delivered in connection with the Bonds and secured by this Installment Sale Agreement, constitute the personal recourse undertakings, obligations and liabilities of the Company.

(F) The Company agrees that the Issuer and the Bond Owner Representative, and their respective officers, agents or representatives, may at any reasonable time upon reasonable prior written notice to the Company and at the Company's expense inspect the Company's books and records and inspect and conduct any tests on the Project Facility, including taking soil samples, in order to determine that the Company is in compliance with all Applicable Laws. In addition, the Bond Owner Representative may, at its option, at intervals of not less than one year, or more frequently if the Bond Owner Representative reasonably believes that a Hazardous Material or other environmental condition violates or threatens to violate any Applicable Law, cause an environmental audit of the Project Facility or portions thereof to be conducted to confirm the Company's compliance with the provisions of this paragraph, and the Company shall cooperate in all reasonable ways with the Bond Owner Representative in connection with any such audit. If such audit discloses that a violation of or a liability under an Applicable Law exists or if such audit was required or prescribed by law, regulation or governmental or quasi-governmental authority, or if there has occurred an Event of Default the Company shall pay all costs and expenses incurred in connection with such audit; otherwise, the costs and expenses of such audit shall, notwithstanding anything to the contrary set forth in this paragraph, be paid by the Bond Owner Representative.

(G) Reserved.

(H) The obligations and liabilities of the Company under this Section 3.3 shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Bonds have been paid in full and irrespective of any other fact or circumstance of any nature whatsoever.

SECTION 3.4. NON-MERGER. During the term of the Underlying Lease, there shall be no merger of the leasehold estate created by the Underlying Lease with the fee estate in the premises leased thereunder (the "Leased Premises") or any part thereof by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly, (A) the Underlying Lease or the leasehold estate created by the Underlying Lease or any interest in the Underlying Lease or in any such leasehold estate and (B) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate, and no such merger shall occur unless and until all corporations, firms and other entities, including any mortgagee having any interest in (1) the Underlying Lease or the leasehold estate created by the Underlying Lease and (2) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate, shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE IV

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

SECTION 4.1. ACQUISITION, RECONSTRUCTION AND INSTALLATION OF THE PROJECT FACILITY. (A) The Company shall, on behalf of the Issuer, promptly acquire, construct, reconstruct and install the Project Facility, or cause the acquisition, construction, reconstruction and installation of the Project Facility, all substantially in accordance with the Plans and Specifications.

(B) No material change in the scope of the Project shall be made unless (1) the Issuer shall have consented thereto in writing (which consent of the Issuer shall not be unreasonably withheld or delayed), and (2) the Company shall furnish the Issuer and the Bond Owner Representative with an unqualified opinion of Bond Counsel that construction and reconstruction of the Facility and acquisition and installation of the Equipment in accordance with the terms of the revised Project will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds.

(C) Subject to the terms of this Agreement, title to all materials, equipment, machinery and other items of property now owned or hereafter acquired by the Company and which are intended to be a part of the Project Facility shall vest in the Issuer immediately upon execution of the Bill of Sale to Issuer. Title to all materials, equipment, machinery and other items of property acquired by the Company 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 Project Facility, whichever shall first occur. The Company shall, upon the Issuer's request, execute, deliver and record or file all instruments necessary or appropriate to vest title to the above 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 Company 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 moneys disbursed under the Indenture.

(E) The Issuer hereby appoints the Company its true and lawful agent to perform the following in compliance with the terms, purposes and intent of the Financing Documents, and the Company hereby accepts such appointment: (1) to acquire, construct, reconstruct 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, reconstruction 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 moneys disbursed under the Indenture, (3) to pay all fees, costs and expenses incurred in the acquisition, construction, reconstruction 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 in behalf of the Issuer, and receive for the purpose of paying the Cost of the Project, disbursements of the proceeds 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, reconstruction 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 Company has given or will give or cause to be given all notices and has complied or will comply or use its best efforts to cause compliance with all Applicable Laws, and the Company will defend, indemnify and save the Issuer and the Bond Owner Representative and their respective officers, members, directors, agents (other than the Company), 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 Company.

(G) To the extent required by applicable law, the Company, as agent of the Issuer, will use its best efforts to cause (1) compliance with the requirements of Article 8 of the New York Labor Law, and (2) any contractor, subcontractor and other person involved in the acquisition, construction, reconstruction 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 Labor Law applies to the Project.

(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 Company covenants that it (1) will hold the right to receive the Bond Proceeds, which have been deposited by the Issuer in a trust fund for the purpose of paying the Cost of the Project, 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 New York Lien Law), and (2) will 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 this Installment Sale Agreement or the Indenture is a “building loan contract”, as defined in Section 2(13) of the New York Lien Law.

SECTION 4.2. ISSUANCE OF THE BONDS. In order to finance a portion of the Cost of the Project relating to 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 purchaser thereof the Bonds, as provided in the Indenture. THE ISSUER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, THAT THE NET PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO COMPLETE THE PROJECT.

SECTION 4.3. APPLICATION OF PROCEEDS OF THE BONDS. The proceeds of the sale of the Bonds shall be deposited by the Issuer with the Bond Owner Representative as provided in the Indenture and disbursed in accordance with the terms of the Indenture.

SECTION 4.4. COMPLETION OF THE PROJECT FACILITY. The Company will proceed with due diligence to commence and complete the acquisition, reconstruction and installation of the Project Facility.

SECTION 4.5. COMPLETION BY THE COMPANY. (A) In the event that the proceeds of the Bonds are not sufficient to pay in full all costs of acquiring, constructing, reconstructing and installing the Project Facility, the Company agrees, for the benefit of the Issuer, to complete such acquisition, construction, reconstruction and installation and to pay all such sums as may be in excess of the moneys available therefor in the Project Fund. A leasehold interest in the Land acquired, the Facility constructed and/or reconstructed and the Equipment acquired or installed at the Company’s cost shall immediately upon such acquisition, reconstruction or installation vest in the Issuer. The Company shall execute, deliver and record or file such instruments as the Issuer may request in order to perfect or protect the Issuer’s interest in such portions of the Project Facility.

(B) No payment by the Company pursuant to this Section 4.5 shall entitle the Company to any reimbursement for any such expenditure from the Issuer or the Bond Owner Representative or to any diminution or abatement of any amounts payable by the Company under this Installment Sale Agreement or under any other Financing Document.

SECTION 4.6. REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES. In the event of a breach, default or event of default by any contractor, subcontractor or materialman under any contract made by it in connection with the acquisition, construction, reconstruction 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 Company may proceed, either separately or in conjunction with others, to exhaust the remedies of the Company and the Issuer against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Company 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 Company deems reasonably necessary, and in such event the Issuer hereby agrees, at the Company's sole expense, to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in any such action or proceeding. The Company shall advise the Issuer and the Bond Owner Representative of any actions or proceedings taken hereunder. The proceeds of any recovery secured by the Company as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to this Section 4.6 shall be deposited in accordance with the Indenture and used to the extent necessary to complete the Project Facility and then deposited in the Bond Fund and applied as provided in the Indenture.

ARTICLE V

AGREEMENT TO TERMINATE INTEREST IN THE PROJECT FACILITY; INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE

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

SECTION 5.2. TRANSFER OF INTEREST; INSTRUMENTS; SURVIVAL. (A) The Issuer's interest in the Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the other Financing Documents) from the Issuer to the Company on the earlier to occur of (1) the date requested by the Company or (2) the date that this Installment Sale Agreement is executed.

(B) The sale and conveyance of the Issuer's right, title and interest in and to the Equipment shall be effected by the delivery by the Issuer to the Company of the Bill of Sale to Company in accordance with the provisions of this Installment Sale Agreement. Prior to the payment in full of the Bonds, the sale and conveyance of the Issuer's interest in the Land and the Facility shall be effected by the delivery by the Issuer to the Company of this Installment Sale Agreement and the Termination of Underlying Lease in accordance with the provisions of this Installment Sale Agreement. Upon payment in full of the Bonds, the sale and conveyance of the Land and the Facility to the Company shall be the effected by the delivery by the Issuer to the Company of the Termination of the Installment Sale Agreement.

(C) The Company agrees to prepare the Bill of Sale to Company and/or the Termination of Underlying Lease, and all schedules thereto, together with all transfer 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 any portion of the Project Facility is to be conveyed to the Company. The Company will pay all expenses and taxes, if any, applicable to or arising from such transfers of title.

(D) The Company 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 Company 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 Company shall survive as set forth in Section 11.8 hereof.

(F) Upon the payment in full of all Indebtedness under or secured by this Installment Sale Agreement, and notwithstanding the survival of certain obligations of the Company as described in Section 11.8 hereof, (1) the Company agrees to prepare the Termination of the Installment Sale Agreement, 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 Company desires to receive same and (2) the Issuer shall upon the request of the Company execute and deliver (and request the Bond Owner Representative to execute and deliver) to the Company such other documents as the Company may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Issuer and the Bond Owner Representative hereunder.

SECTION 5.3. INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE. (A) The Company shall pay installment purchase payments with respect to the Acquisition Loan Purchase Portion, the Building Loan Purchase Portion, and the Project Loan Purchase Portion of the Project Facility on or before the date which is no later than two (2) Business Days immediately preceding each Bond Payment Date. The Company shall make available moneys to the Bond Owner Representative for deposit into the Bond Fund, in an amount which, when added to any amounts then held in the Bond Fund, shall equal the amount payable as principal, interest and premium, if any, on the Bonds on such Bond Payment Date; provided, however, that the obligation of the Company to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by the Company (or another party on behalf of the Company) to the Bond Owner Representative for the payment of principal, interest and premium, if any, on the Bonds such that sufficient funds are readily available to the Bond Owner Representative to make all payments required to be paid on the Bond Payment Date. To the extent permitted by Applicable Law, the Company shall pay interest on any amount required to be paid under this Section 5.3(A) that is not paid when due at an annual rate equal to the Default Rate from, and including, the day such amount is due to, but excluding, the day such amount is paid in full.

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

(1) Within thirty (30) days after receipt of a demand therefor from the Bond Owner Representative, the Company shall pay to the Bond Owner Representative the following amounts: (a) the reasonable fees, costs and expenses of the Bond Owner Representative for performing the obligations of the Bond Owner Representative under the Indenture and the other Financing Documents; (b) the sum of the reasonable expenses of the Bond Owner Representative reasonably incurred in performing the obligations of (i) the Company under this Installment Sale Agreement, or (ii) the Issuer under the Bonds, the Indenture or this Installment Sale Agreement; and (c) the Bond Owner Representative's reasonable attorneys' fees incurred in connection with the foregoing and other moneys due the Bond Owner Representative pursuant to the provisions of any of the Financing Documents.

(2) Within thirty (30) days after receipt of a demand therefor from the Issuer, the Company shall pay to the Issuer the sum of the reasonable expenses (including, without limitation, reasonable attorney fees) 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 reasonable expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Company, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under this Installment Sale Agreement.

(3) Within thirty (30) days after request therefor made in writing, the Company shall pay any and all costs and expenses incurred or to be paid by the Issuer then due in connection with the issuance and delivery of the Bonds or otherwise related to actions taken by the Issuer under this Installment Sale Agreement or the Indenture, the payment of which is not otherwise provided for under this Installment Sale Agreement.

(4) Within thirty (30) days after request therefor made in writing, the Company shall pay to the Bond Owner Representative its reasonable out-of-pocket fees, charges and expenses for acting as such under the Indenture.

(5) On the Closing Date, the Company shall pay (a) the Issuer's administrative fee in the amount of \$48,000 relating to the Project, (b) the reasonable fees and expenses of the counsel to the Issuer relating to the Project and (c) the reasonable fees and expenses of Bond Counsel relating to the Project.

(C) The Company 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 Company shall fail to make any payment required by this Section 5.3 for a period of more than ten (10) days from the date such payment is due, the Company shall pay the same, together with interest thereon, from the date on which such payment was due until the date on which such payment is made.

(D) In the event of an application of moneys in the Bond Fund toward prepayment of the principal of the Bonds pursuant to the Indenture, there shall be no abatement or reduction in the amounts payable by the Company under this Section 5.3.

(E) The Company shall be entitled to a credit against the installment purchase payments next required to be made under Section 5.3(A) hereof to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Bond Owner Representative, and (3) for deposit in the Bond Fund for use other than for the payment of debt service on the Bond Payment Date next following the applicable date such installment purchase payments are due pursuant to Section 5.3(A) hereof. In any event, however, if on any Bond Payment Date, the balance in the Bond Fund is insufficient to make required payments of debt service on the Bonds, the Company forthwith will pay to the Bond Owner Representative, for the account of the Issuer and for deposit into the Bond Fund, any deficiency.

SECTION 5.4. NATURE OF OBLIGATIONS OF THE COMPANY HEREUNDER. (A) The obligations of the Company 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 Company and shall be absolute and unconditional irrespective of any defense or any right of set-off, recoupment, counterclaim or abatement that the Company may otherwise have against the Issuer or the Bond Owner Representative. The Company agrees that 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, construction, reconstruction or installation 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 Company'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. Notwithstanding the foregoing, the liability of the Company's constituent shareholders, partners or members, (direct or indirect) under this Installment Sale Agreement and the other Financing Documents shall be limited as set forth in the Continuing Covenants 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 Company may institute such action against the Issuer as the Company 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 Company shall look solely to the Issuer's estate and interest in the Project Facility for the satisfaction of any right or remedy of the Company 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 Company) or employees of the Issuer shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Installment Sale Agreement, the relationship of the Issuer and the Company hereunder or the Company's purchase of and title to the Project Facility, or any other liability of the Issuer to the Company.

SECTION 5.5. PREPAYMENT OF INSTALLMENT PURCHASE PAYMENTS. At any time that the Bonds are subject to redemption under the Indenture, the Company may, at its option, prepay, in whole or in part, the installment purchase payments payable hereunder through satisfaction of the requirements set forth in Article III of the Indenture. Notwithstanding the foregoing, the Company may not prepay installment purchase payments until the Company has claimed its first year of low-income housing tax credits as provided in Section 42 of the Code. Bond Owner Representative shall have no obligation to inquiry as to whether the provisions of the foregoing sentence have been satisfied.

SECTION 5.6. GRANT OF SECURITY INTEREST. Subject to the Mortgage granted to the Bond Owner Representative and the Permitted Encumbrances, the Company hereby grants the Issuer a security interest in all of the right, title and interest of the Company in the Project Facility and in all additions and accessions thereto and all proceeds thereof, all replacements and substitutions therefor and all proceeds thereof, and all books, records and accounts of the Company pertaining to the Project Facility and all proceeds thereof as security for payment of the installment purchase payments and all other payments and obligations of the Company hereunder. The Company 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. If and when the Bond Owner Representative has been assigned the obligation to file continuation financing statements, Company agrees, within ten (10) business days of receipt of a request from Bond Owner Representative, to provide Bond Owner Representative with copies of all financing statements for which continuation financing statement need to be filed.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1. MAINTENANCE AND MODIFICATION OF THE PROJECT FACILITY. (A) So long as any of the Bonds are Outstanding, and during the term of this Installment Sale Agreement, the Company 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) Following the completion of the Project, the Company from time to time may make any additions, modifications or improvements to the Project Facility which it may deem desirable so long as the Project Facility remains a "project" under the Act and the provisions of the SEQRA are complied with and any such addition, modification, or improvement does not reduce the fair market value of the Project Facility. All additions, modifications or improvements shall become a part of the Project Facility.

SECTION 6.2. TAXES, ASSESSMENTS AND UTILITY CHARGES. (A) The Company 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 Company shall be obligated hereunder to pay only such installments as are required to be paid during all periods that any Bond shall be Outstanding and/or during the term of this Installment Sale Agreement or any other Financing Document.

(B) Notwithstanding the provisions of subsection (A) of this Section 6.2, after prior notice to the Issuer and the Bond Owner Representative, in the case of any material item, the Company, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any such taxes, assessments and other charges, provided that (1) no default shall have occurred and shall be continuing under any of the Financing Documents, (2) the Company is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to the Financing Documents, (3) such proceeding shall suspend the collection of the contested taxes, assessments or charges from the Company and from the Project Facility, (4) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Company or the Project Facility is subject and shall not constitute a default thereunder, (5) neither the Project Facility nor any part thereof nor any interest therein (including, without limitation, the Liens of the Financing Documents) will be in danger of being sold, forfeited, terminated, cancelled or lost, and (6) the Company shall have set aside in an interest-bearing account with the Bond Owner Representative and otherwise in a manner satisfactory to the Bond Owner Representative, adequate cash reserves for the payment of the contested taxes, assessments and charges, together with all interest and penalties thereon, or in the alternative the Company shall have furnished such security as may be required in the proceeding, or as may otherwise be requested or required by the Bond Owner Representative to ensure the payment of the contested taxes, together with all interest and penalties thereon, and, provided further, that if at any time the Bond Owner Representative determines, in its sole and absolute discretion, that payment of any tax, assessment or other charge shall become

necessary to prevent the delivery of a tax deed conveying the Project Facility or any portion thereof because of non-payment of any such sums, then the Company shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

SECTION 6.3. INSURANCE REQUIRED. So long as any Bond is Outstanding and/or during the term of this Installment Sale Agreement, the Company shall maintain, or cause to be maintained, 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, reconstruction and installation of the Project Facility, issued to the Company and the Issuer as insureds and the Bond Owner Representative as 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, construction, reconstruction and installation of the Project Facility, insurance protecting the interests of the Company and the Issuer as insureds and the Bond Owner Representative as loss payee, as its interest 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 total principal amount of the Bonds Outstanding 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 Company, which appraisal Company agrees to provide to Bond Owner Representative at least thirty (30) days prior to the termination of each three (3) year period.

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

(C) Insurance protecting the Company, the Issuer and the Bond Owner Representative against loss or losses from liabilities imposed by law or assumed in any written contract (including, without limitation, the contractual liability assumed by the Company under Sections 8.2, 8.13 and 8.14 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 \$500,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law, and a separate umbrella liability policy with a limit of not less than \$2,000,000.

(D) If the Project Facility is located within an area identified by the Secretary of Housing and Urban Development as having special flood hazards, insurance against loss by floods in an amount at least equal to the total principal amount of the Bonds Outstanding or to the maximum limit of coverage made available, whichever is less. If no portion of the Project Facility is located in such a federally designated "special flood hazard area," such fact shall be substantiated by a certificate in form satisfactory to the Bond Owner Representative from a licensed surveyor, appraiser or professional engineer or other qualified person.

(E) 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 INTERESTS.

SECTION 6.4. ADDITIONAL PROVISIONS RESPECTING INSURANCE. (A) Except as otherwise provided herein, all policies of insurance required by Section 6.3 (the "Policies") shall be issued by insurers having a minimum policy holders rating of "A" pursuant to the latest rating publication of property and Casualty Insurers by A.M. Best Company and who are lawfully doing business in the State and are otherwise acceptable in all respects to the Issuer and the Bond Owner Representative. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other entities engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall name the Company and the Issuer as insureds and the Bond Owner Representative as loss payee, as its interests may appear, and provide for at least thirty (30) days' written notice to the Company, the Issuer and the Bond Owner Representative prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof. All insurance required hereunder shall be in form, content and coverage satisfactory to the Issuer and the Bond Owner Representative. Blanket insurance policies shall not be acceptable for the purposes of this subsection unless otherwise approved to the contrary by the Issuer. Certificates satisfactory in form and substance to the Issuer to evidence all insurance required hereby shall be delivered to the Issuer and the Bond Owner Representative on or before the Closing Date. At the request of the Bond Owner Representative, the Company will deliver the Policies to the Bond Owner Representative. The Company shall deliver to the Issuer and the Bond Owner Representative 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 Company shall furnish to the Issuer and the Bond Owner Representative 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 Company. If at any time the Issuer and the Bond Owner Representative are not in receipt of written evidence that all insurance required hereunder is in force and effect, the Issuer and the Bond Owner Representative shall each have the right without notice to the Company to take such action as the Issuer and the Bond Owner Representative deems necessary to protect their/its interest in the Project Facility, including, without limitation, the obtaining of such insurance coverage as the Issuer and the Bond Owner Representative in their sole discretion deem appropriate, and all expenses incurred by the Issuer and/or the Bond Owner Representative in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Company to the Issuer and/or the Bond Owner Representative, as the case may be, upon demand, together with interest thereon at the Default Interest Rate.

(C) The provisions of subsection 4 of Section 254 of the Real Property Law of the State covering the insurance of buildings against loss by fire shall not apply to this Installment Sale Agreement.

SECTION 6.5. APPLICATION OF NET PROCEEDS OF INSURANCE. The proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be applied as follows: (A) the proceeds of the insurance required by Section 6.3(A) and 6.3(D) hereof shall be paid to the Bond Owner Representative and applied, in accordance with written direction to Bond Owner Representative setting forth the specific application of funds as provided in the Mortgage or, with the prior written approval of HUD, as provided in Section 7.1 hereof and the applicable provisions of the Indenture, and (B) the 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. RESERVED.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. DAMAGE OR DESTRUCTION. 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 Company under this Installment Sale Agreement or under any of the other Financing Documents (whether or not the Project Facility is replaced, repaired, rebuilt or restored); and
- (3) the Company shall promptly give notice thereof to the Issuer and the Bond Owner Representative.

SECTION 7.2. CONDEMNATION. (A) To the knowledge of the Company, no condemnation or eminent domain proceeding has been commenced or threatened against any part of the Project Facility. The Company shall notify the Issuer and the Bond Owner Representative of the Company of any condemnation proceedings and, within fifteen days after inquiry from the Issuer and the Bond Owner Representative, inform the Issuer and the Bond Owner Representative in writing of the status of such proceeding. 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 Company under this Installment Sale Agreement or under any of the other Financing Documents (whether or not the Project Facility is restored); and
- (3) the Company shall promptly give notice thereof to the Issuer and the Bond Owner Representative.

(B) 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 Company shall have any obligation to restore the Project Facility; and
- (2) there shall be no abatement or reduction in the amounts payable by the Company under this Installment Sale Agreement (or under any of the other Financing Documents), whether or not the Project Facility is restored.

(C) The Issuer shall, at the expense of the Company, cooperate fully with the Company in the handling and conduct of any such Condemnation proceeding. In no event shall the Issuer voluntarily settle, or consent to the settlement of, any Condemnation proceeding without the written consent of the Company.

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

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 COMPANY 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 Company hereby releases the Issuer and its members, officers, agents (other than the Company) and employees from, agrees that the Issuer and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Company) 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 Document, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bonds, (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Section 4.1(E) hereof, and (4) all causes of action and reasonable 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 grossly negligent or intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Company) 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 Company) or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

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

(C) Reserved

(D) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Company 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 Company) or employees, relating thereto.

SECTION 8.3. RIGHT OF ACCESS TO THE PROJECT FACILITY. The Company agrees that the Issuer and the Bond Owner Representative and their duly authorized agents shall have the right at all reasonable times after reasonable prior written notice to the Company, and subject to tenant's rights, to enter upon and to examine and inspect the Project Facility. The Company further agrees that the Issuer and the Bond Owner Representative shall have such rights of access to the Project Facility as may be reasonably necessary to cause the proper maintenance of the Project Facility in the event of failure by the Company to perform its obligations hereunder upon notice to the Company.

SECTION 8.4. COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS; CONDITIONS UNDER WHICH EXCEPTIONS ARE PERMITTED. The Company agrees that, so long as any of the Bonds are Outstanding and/or during the term of this Installment Sale Agreement, 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 (or if no event exists which with the passage of time or notice or both would become an Event of Default), the Company 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 that (A) the Issuer gives its prior written consent, which consent shall not be unreasonably withheld or delayed, (B) the surviving, resulting or transferee corporation assumes in writing all of the obligations of and restrictions on the Company under this Installment Sale Agreement and the other Financing Documents, (C) the proposed transaction will not adversely affect the exclusion of the interest payable on the Bonds from the gross income of the Holders thereof for federal income tax purposes, and (D) as of the date of such transaction, the Bond Owner Representative and the Issuer shall be furnished with (1) an opinion of Bond Counsel as to the compliance with item (C) of this Section 8.4, (2) an opinion of counsel to the Company as to compliance with item (B) of this Section 8.4 and (3) a certificate, dated the effective date of such transaction, signed by an Authorized Representative of the Company and an authorized officer of the surviving, resulting or transferee corporation or the transferee of its assets, as the case may be, 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 (unless waived by the Issuer in writing). Notwithstanding anything to the contrary in this Section 8.4, the Investor Limited Partner may transfer its interest in the Company by providing written notice to the Issuer.

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

foregoing, the Company shall have no obligation to provide any financial information to the Issuer or the Bond Owner Representative, except for such financial information as may be necessary for the Issuer or the Bond Owner Representative to provide any reports required by Applicable Law.

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

(B) As soon as possible after the end of each fiscal year of the Company, but in any event within one hundred and twenty (120) days after such date, so long as any Bond shall be Outstanding, the Company shall furnish to the Issuer and the Bond Owner Representative a certificate of an Authorized Representative of the Company 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 Company has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of the Bonds 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 Company agrees, for the benefit of the Issuer and the Bond Owner Representative, that it will, during any period in which any 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 Company may in good faith actively contest the validity or the applicability of any Applicable Law, after prior notice to the Issuer and the Bond Owner Representative, and at its own expense, by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, provided that (1) no default shall have occurred and shall be continuing under any of the Financing Documents, (2) the Company is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to the Financing Documents, (3) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Company or the Project Facility is subject and shall not constitute a default thereunder, (4) neither the Project Facility nor any part thereof nor any interest therein, nor any funds of the Issuer applicable to the acquisition, construction, reconstruction or installation of the Project Facility, will be in danger of being sold, forfeited, terminated, cancelled or lost at any time during the pendency of or after such proceeding, and (5) the Company shall have set aside in an interest-bearing account with the Bond Owner Representative, and otherwise in a manner satisfactory to the Bond Owner Representative, adequate cash reserves for the compliance with the contested Applicable Law, together with all interest and penalties related thereto, or in the alternative the Company shall have furnished such security as may be required in the proceeding, or as may otherwise be requested or required by the Bond Owner Representative to insure the compliance with the contested Applicable Law, together with all interest and penalties related thereto. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer and the Bond Owner Representative.

(C) Notwithstanding the provisions of subsection (B) of this Section 8.7, if the Issuer or any of its members, officers, agents (other than the Company), servants or employees may be liable for prosecution for failure to comply therewith, the Company 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 Company 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 Company may in good faith actively contest any such Lien, provided that the Company (1) first shall have notified the Issuer and the Bond Owner Representative 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 Company or secured by the Company's posting a bond in form and substance satisfactory to the Issuer and the Bond Owner Representative.

SECTION 8.9. PERFORMANCE OF INSTITUTION'S OBLIGATIONS. Should the Company fail to make any payment or to do any act as herein provided, the Issuer or the Bond Owner Representative may, but need not, without notice to or demand on the Company and without releasing the Company 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 Company or the Issuer, and paying all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Issuer or the Bond Owner Representative in connection therewith; and the Company shall pay immediately upon demand all sums so incurred or expended by the Issuer or the Bond Owner Representative under the authority hereof, together with interest thereon, at the Default Interest Rate.

SECTION 8.10. DEPRECIATION DEDUCTIONS AND TAX CREDITS. The parties agree that as between them the Company 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 Property" 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. COVENANT AGAINST ARBITRAGE BONDS. So long as any Bond shall be Outstanding, neither the Issuer nor the Company shall use, or direct or permit the use of, the proceeds of the Bonds 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 Bonds, would have caused any of the Bonds to be an "arbitrage bond" within the meaning ascribed to such quoted term in Section 148 of the Code. The Company agrees that it will comply with all of its covenants in the Tax Regulatory Agreement relating to the restrictions contained in Section 148 of the Code. The Issuer authorizes the Company, 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 Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

SECTION 8.12. 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 Company by such appropriate records, including computerized records.

SECTION 8.13. INDEMNIFICATION OF THE BOND OWNER REPRESENTATIVE. (A) Notwithstanding any other provisions of the Financing Documents, the Company agrees to indemnify and hold the Bond Owner Representative, 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,

performance or administration of the Financing Documents, provided that the same are not a result of the gross negligence or willful misconduct of the Bond Owner Representative.

(B) Notwithstanding any other provisions of this Installment Sale Agreement or other Financing Documents, the obligations of the Company pursuant to this Section 8.13 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 Bond Owner Representative, or its directors, officers, agents or employees, relating thereto.

(C) Reserved

SECTION 8.14. EMPLOYMENT OPPORTUNITIES. (A) The Company shall insure that all employees and applicants for employment opportunities created as a result of the completion of the Project are afforded equal employment opportunities without discrimination in accordance with Applicable Laws.

(B) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Company agrees (1) to list all new employment opportunities created as a result of completion 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 Facility 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 Company agrees to file with the Issuer, prior to the effective date of this Installment Sale Agreement, an employment plan, in substantially the form attached hereto as Exhibit C.

(D) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company 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.

SECTION 8.15. SALES AND USE TAX EXEMPTION. (A) Pursuant to Section 874 of the Act, the parties understand that the Issuer is exempt from certain sales taxes and use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Issuer in the Project. The Issuer makes no representations or warranties that any property is exempt from the payment of New York sales or use taxes. Any exemption from the payment of New York sales or use taxes resulting from the involvement of the Issuer with the Project shall be limited to purchases of services and tangible personal property conveyed to the Issuer or utilized by the Issuer or by the Company as agent of the Issuer as a part of the Project prior to the Completion Date, or incorporated within the Project Facility prior to the Completion Date. No operating expenses of the Project Facility, and no other purchases of services or property shall be subject to an exemption from the payment of New York sales or use tax.

(B) Pursuant to Section 874(9) of the Act, if the Company claims any sales tax exemption by virtue of the Issuer's involvement in the Project, the Issuer must file, within thirty days of any appointment of the Company as agent of the Issuer for purposes of claiming any sales tax exemption, with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed

by the New York State Commissioner of Taxation and Finance (the “Thirty-Day Sales Tax Report”), a statement identifying the Company as agent of the Issuer, setting forth the taxpayer identification number of the Company, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease. If the Company desires to claim any sales tax exemption by virtue of the Issuer’s involvement in the Project, the Company shall notify the Issuer in writing of such desire, and shall furnish to the Issuer a completed Thirty Day Sales Tax Report relating to such request. If the Issuer determines to grant such request by the Company, the Company agrees to assist the Issuer in filing such Thirty-Day Sales Tax Report.

(C) Pursuant to Section 874(8) of the Act, if the Company claims any sales tax exemption by virtue of the Issuer’s involvement in the Project, the Company agrees to annually file and cause any sublessee or other operator of the Project Facility to file annually, with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance, a statement of the value of all sales and use tax exemptions claimed by the Company and all contractors, subcontractors, consultants and other agents of the Company under the authority granted to the Company by the Issuer. Pursuant to Section 874(8) of the Act, the penalty for failure to file such statement shall be removal of authority to act as agent of the Issuer. Additionally, if the Company shall fail to comply with the requirements of this Section 8.15(A), the Company shall immediately cease to be the agent of the Issuer in connection with the Project. For future filings of the Annual Sales Tax Report, the Company is responsible for obtaining from the New York State Department of Taxation and Finance any updated or revised versions of such Annual Report.

(D) The Company agrees to furnish to the Issuer a copy of each such annual report submitted to the New York State Department of Taxation and Finance by the Company pursuant to Section 874(8) of the Act.

SECTION 8.16. RESERVED.

ARTICLE IX

ASSIGNMENTS; MERGER OF THE ISSUER

SECTION 9.1. ASSIGNMENT OF THE INSTALLMENT SALE AGREEMENT. This Installment Sale Agreement may not be assigned by the Company, in whole or in part, without the prior written consent of the Issuer.

SECTION 9.2. PLEDGE AND ASSIGNMENT OF ISSUER'S INTERESTS TO BOND OWNER REPRESENTATIVE. (A) The Issuer has pledged and assigned certain of its rights and interests under and pursuant to this Installment Sale Agreement (1) pursuant to the terms of the Indenture to the Bond Owner Representative as security for the payment of the principal of, premium, if any, and interest on the Bonds. Such pledge and assignment shall in no way impair or diminish any obligations of the Issuer under this Installment Sale Agreement.

(B) The Company hereby acknowledges receipt of notice of and consents to such pledge and assignment by the Issuer to the Bond Owner Representative and specifically agrees to perform for the benefit of the Bond Owner Representative all of its duties and undertakings hereunder (except duties undertaken with respect to the Unassigned Rights).

SECTION 9.3. MERGER OF THE 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) the exclusion of the interest payable on the Bonds from gross income 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, the Bonds and the other Financing Documents 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 Company and the Bond Owner Representative. The Issuer shall promptly furnish to the Bond Owner Representative and the Company such additional information or opinions with respect to any such consolidation, merger or assignment as the Bond Owner Representative and the Company may reasonably request.

SECTION 9.4. SALE OR LEASE OF THE PROJECT FACILITY. (A) Except for leases or subleases of portions of the Project Facility entered into in the ordinary course of business and in compliance with the provisions of the Tax Documents and the Financing Documents, the Company 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, which consent shall not be unreasonably withheld or delayed; provided, however, that the prior written consent of the Issuer shall not be required when the Company proposes to sublease a portion of the Project Facility and such sublease is consistent with Section 3.2 hereof and the provisions of the Tax Regulatory Agreement and the provisions of Section 862(1) of the Act.

(B) In no event, however, shall the Issuer or the Bond Owner Representative 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 payable on the Bonds from gross income of the holders thereof for Federal income tax purposes.

(C) Notwithstanding anything to the contrary contained herein (but subject to the terms and conditions of the Reimbursement Agreement), in any instance after the Completion Date where the Company reasonably determines that any portion of the Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Equipment and may sell, trade in, exchange or otherwise dispose of the same, as a whole or in part, without the prior written consents of the Issuer and the Bond Owner Representative, provided that such removal will not materially impair the value of the Project Facility as collateral and provided, further, that same is forthwith replaced with similar items of Equipment having a similar value, free from all Liens other than any Liens created by the Financing Documents and Permitted Encumbrances. At the request of the Company, the Issuer shall execute and deliver, and shall request the Bond Owner Representative to execute and deliver, to the Company all instruments necessary or appropriate (and in a form prepared by the Company) to enable the Company to sell or otherwise dispose of any such portion of the Equipment free from any Liens of the Financing Documents. The Company shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from any Liens of the Financing Documents any portion of the Equipment removed pursuant to this Section 9.4. The Company shall execute and deliver all documents required to subject such replacement items of Equipment to any Liens created by the Financing Documents.

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) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to Section 5.3(A) hereof.

(2) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Company 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 Bond Owner Representative to the Company (with a copy to the Bond Owner Representative, if given by the Issuer), 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 Company to commence to cure within such thirty (30) day period and to prosecute the same with due diligence and, in any event, to cure such default within sixty (60) days after such written notice is given.

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

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

(5) The Company 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 Company (except pursuant to this Installment Sale Agreement), of their respective interests 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 or the Continuing Covenants Agreement. Notwithstanding anything to the contrary in this Section 10.1, the Investor Limited Partner’s transfer of its interest in the Company shall not constitute an Event of Default hereunder.

(7) (a) The filing by the Company (as debtor) of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Company within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Company’s ability to carry out its obligations hereunder; (c) the commencement of a case under the Bankruptcy Code against the Company as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Company 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 the Bankruptcy Code or any other federal or state bankruptcy statute with respect to the debts of the Company; 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 Bond Owner Representative of the whole or a substantial portion of the property of the Company, 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(B) of this Installment Sale Agreement or a Permitted Encumbrance.

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

(B) Notwithstanding any other provision of this Installment Sale Agreement, failure of the Company to comply with Section 8.6(B) of this Installment Sale Agreement shall not be considered an Event of Default; however, the Bond Owner Representative may (and, at the request of any underwriter or the Holders of at least 51% aggregate principal amount in Outstanding Bonds, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Company to comply with its obligations under Section 8.6(B) hereof.

(C) 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 Bond Owner Representative 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 Company to make the payments required by Sections 4.5 and 5.3 hereof, to obtain and continue in full force and effect the insurance required by Article VI hereof, to provide the indemnity required by Sections 3.3, 8.2, 8.13 and 8.14 hereof and to comply with the provisions of Sections 2.2(G), 4.5, 8.2, 8.4, 8.5 and 8.7(C) hereof. The term "force majeure" as used herein shall include acts outside of the control of the Issuer and the Company, including but not limited to 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, or any other cause or event not reasonably within the control of the party claiming such inability. 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 and be continuing, the Issuer and/or the Bond Owner Representative may, to the extent permitted by law, take any one or more of the steps set forth in Article VI of the Indenture.

(B) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by this Installment Sale Agreement and the other Financing Documents.

(C) The Investor Limited Partner shall have the right, but not the obligation, to cure any and all defaults hereunder within the applicable cure periods set forth in this Installment Sale Agreement.

SECTION 10.3. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Issuer or the Bond Owner Representative 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 the other Financing Documents 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 Bond Owner Representative 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 that an Event of Default shall occur under this Installment Sale Agreement, and the Issuer or the Bond Owner Representative 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 Company herein contained, the Company shall, on demand therefor, pay to the Issuer or the Bond Owner Representative, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

SECTION 10.5. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

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.

(B) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE ISSUER:

Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549
Attention: Chairman

WITH A COPY TO:

Hodgson Russ LLP
60 Railroad Place, Suite 300
Saratoga Springs, New York 12866
Attention: Christopher M. Martell, Esq.

IF TO THE COMPANY:

Walden Preservation, L.P.
c/o The Related Companies
60 Columbus Circle, Floor 20
New York, New York 10023
Attention: Allison Kunis

WITH A COPY TO:

Levitt & Boccio, LLP
60 Columbus Circle, Floor 20
New York, New York 10023
Attention: David S. Boccio, Esq.

IF TO THE BOND OWNER REPRESENTATIVE:

Wells Fargo Bank, National Association
150 East 42nd Street, 36th Floor
New York, New York 10017
Attention: David Kaplan
Loan No. _____

WITH A COPY TO:

Arent Fox LLP
1675 Broadway
New York, New York 10019
Attention: Richard J. Krainin, Esq.

IF TO THE BANK:

Wells Fargo Municipal Capital Strategies, LLC
375 Park Avenue, 2nd Floor
New York, New York 10152
Attention: Kristina Eng
Loan No. _____

AND:

Wells Fargo Municipal Capital Strategies, LLC
375 Park Avenue, 2nd Floor
New York, New York 10152
Attention: Adam Joseph
Loan No. _____

WITH COPIES TO:

Arent Fox LLP
1675 Broadway
New York, New York 10019
Attention: Richard J. Krainin, Esq.

AND:

Eichner, Norris & Neumann, PLLC
1225 19th Street NW #750
Washington, DC 20036
Attention: Kent Neumann, Esq.

IF TO THE INVESTOR:

PNC Real Estate Tax Credit Capital Institutional
Fund 58, LLC
c/o PNC Real Estate
121 S.W. Morrison Street, Suite 1300
Portland, Oregon 97204-3143
Attention: Asset Management

WITH COPIES TO:

Columbia Housing SLP Corporation
121 S.W. Morrison Street, Suite 1300

Portland, Oregon 97204-3143
Attention: Fund Manager

AND

Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102
Attention: Shane Deaver, Esq.

(C) A duplicate copy of each notice, certificate and other communication given hereunder by the Issuer or the Company to the other shall be given to the Bond Owner Representative.

(D) The Issuer, the Company and the Bond Owner Representative may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificate or other communications shall be sent.

SECTION 11.2. BINDING EFFECT. This Installment Sale Agreement shall inure to the benefit of the Issuer, the Company, the Bond Owner Representative and the Holders of the Bonds and shall be binding upon the Issuer, the Company 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 Company 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. 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 Bond Owner Representative.

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 exclusively by and construed in accordance with the applicable laws of the State.

SECTION 11.7. RECORDING AND FILING. (A) The Underlying Lease (or a memorandum thereof), this Installment Sale Agreement (or a memorandum thereof) and financing statements or continuation statements relating to the security interests created and/or assigned thereby shall be recorded or filed, as the case may be, by the Issuer in the office of the County Clerk of Orange 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 Company shall execute and deliver all instruments and shall furnish all information which the Bond Owner Representative 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. The obligations of the Company to make the payments required by Section 5.3(B) hereof and to provide the indemnity required by Sections 3.3, 8.2, and 8.13 hereof shall survive the termination of this Installment Sale Agreement and the full payment of the Bonds, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

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, director, agent (other than the Company) or employee of the Issuer in his individual capacity, and the members, officers, directors, agents (other than the Company) 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 Town of Montgomery, New York, and neither the State of New York nor Town of Montgomery, 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 days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) 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 Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Issuer and its members, officers, directors, agents (other than the Company) 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, directors, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this Section 11.10(C) shall not affect the full force and effect of an Event of Default hereunder.

SECTION 11.11. SUBORDINATION TO MORTGAGE AND REGULATORY AGREEMENT. (A) The Underlying Lease and this Installment Sale Agreement, and all estates, rights, options, liens and charges contained or created herein or under this Installment Sale Agreement or the Underlying Lease, are and shall forever be subject and subordinate to the Mortgage and the Regulatory Agreement in particular, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective duly authorized officers and have caused this Installment Sale Agreement to be dated as of the day and year first above written.

TOWN OF MONTGOMERY INDUSTRIAL
DEVELOPMENT AGENCY

BY: *Muel Ortega*
Authorized Officer

WALDEN PRESERVATION, L.P.,
a New York limited partnership

By: Walden Preservation, G.P., LLC,
its Managing General Partner

BY: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective duly authorized officers and have caused this Installment Sale Agreement to be dated as of the day and year first above written.

TOWN OF MONTGOMERY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Authorized Officer

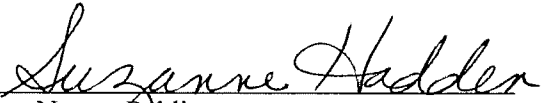
WALDEN PRESERVATION, L.P.

By: Walden Preservation, GP, LLC,
its Managing General Partner

By: Allison H. Kunis
Name: Allison H. Kunis
Title: Vice President

STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

On the 14th day of July, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Mike Hayes, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

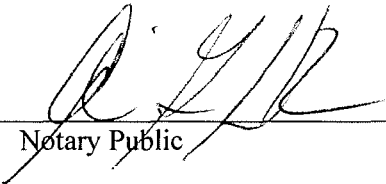


Notary Public

SUZANNE HADDEN
Notary Public, State of New York
Qualified in Orange County
Registration No. 01HA6117399
Commission Expires October 25, 20 16

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the 15 day of July, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Allison H. Kunis, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

ANNMARIE GANNON SMITH
Notary Public, State of New York
No. 01SM4808148
Qualified in Nassau County
Commission Expires July 31 2018

APPENDIX A

SCHEDULE OF DEFINITIONS

The capitalized words and terms used but not defined in the attached document shall have the respective meanings set forth in the Indenture.

EXHIBIT A
DESCRIPTION OF THE LAND

SEE ATTACHED

(Main Street Residential and Commercial Site)

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Village of Walden, County of Orange and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Walnut Street, said point being the northwesterly corner of lands now or formerly of Victory Church of God (Tax Lot 309-07-27.1);

RUNNING THENCE from said point of beginning and along the easterly right of way line of Walnut Street, North 20 degrees 57 minutes 24 seconds East, 15.14 feet to a point, said point being in the westerly line of Nicholas and Christina Serrone (Tax Lot 309-07-1.2);

THENCE along the lands of Nicholas and Christina Serrone 15 feet northerly of and parallel with the northerly line of lands of Victory Church of God, South 76 degrees 36 minutes 36 seconds East, 63.82 feet to a point in the westerly line of lands of Paul and Vicki Vinci (Tax Lot 309-07-2.2);

THENCE along the lands of Paul and Vicki Vinci and continuing along the lands of Lillo's Pizza, Inc. (Tax Lot 309-07-3), 15 feet northerly of and parallel with the northerly line of lands of Victory Church of God, South 76 degrees 46 minutes 13 seconds East, 35.00 feet to a point;

THENCE continuing along the lands of Lillo's Pizza, Inc., South 57 degrees 06 minutes 11 seconds East, 17.18 feet to a point in the easterly line of lands of Lillo's Pizza, Inc;

THENCE along the easterly line of lands of Lillo's Pizza, Inc., North 08 degrees 57 minutes 42 seconds East, 14.78 feet to a point;

THENCE along the lands of Wallkill Lodge No. 627 (Tax Lot 309-07-4), South 79 degrees 37 minutes 28 seconds East, 36.19 feet to a point in line with the easterly face of the building on said lot;

THENCE along said line, passing for the most part along lands now or formerly of Wallkill Lodge No. 627, North 9 degrees 19 minutes 42 seconds East, 75.90 feet to a point on the southerly side of Main Street, said point being the northeasterly corner of lands now or formerly of Wallkill Lodge No. 627;

THENCE along the southerly line of Main Street on the following three courses and distances:

1. South 80 degrees 59 minutes 39 seconds East, 40.93 feet to a pipe;
2. South 80 degrees 10 minutes 42 seconds East, 27.50 feet to point;
3. South 85 degrees 07 minutes 05 seconds East, 45.67 feet to the northwesterly corner of the building on lands now or formerly of Qiang Lu (Tax Lot 309-07-8);

THENCE along the face of the building on lands of Qiang Lu, South 6 degrees 05 minutes 07 seconds West, 37.06 feet to a corner of the building;

THENCE still continuing along the face of the building, North 82 degrees 41 minutes 24 seconds West, 2.34 feet to a point;

THENCE along the westerly line of lands of Qiang Lu following in part the face of the building on said lands, South 07 degrees 45 minutes 26 seconds West, 73.35 feet to a point;

THENCE along the southerly line of lands Qiang Lu, North 81 degrees 02 minutes 15 seconds East, 2.06 feet to a point;

THENCE along the line of lands owned by the Village of Walden (Tax Lot 309-07-19) (Tax Lot 309-07-20) (Tax Lot 309-07-21) & (Tax Lot 309-07-22), the following five courses and distances:

1. South 08 degrees 57 minutes 45 seconds East, 2.00 feet to a point;
2. South 81 degrees 02 minutes 15 seconds West, 51.26 feet to a point;
3. South 26 degrees 57 minutes 45 seconds East, 21.40 feet;
4. South 66 degrees 18 minutes 31 seconds West, 69.68 feet to a point;
5. South 73 degrees 28 minutes 07 seconds West, 36.83 feet to a point, said point being the most westerly corner of lands of Associated Properties of The Hudson Valley LLC (Tax Lot 309-07-24) and the northerly line of lands of Frances M. Pierce (Tax Lot 309-07-23.2);

THENCE along the lands of Pierce, North 82 degrees 59 minutes 25 seconds West, 8.04 feet to a point in the line of lands of Associated Properties of The Hudson Valley LLC;

THENCE along the line of lands of Associated Properties of The Hudson Valley LLC (Tax Lot 309-7-24) & (Tax Lot 309-7-26.1), North 11 degrees 14 minutes 26 seconds West, 51.43 feet to the southeasterly corner of lands of Victory Church of God (Tax Lot 309-7-27.1), said point also being the southeasterly corner of the building of lands of Victory Church of God;

THENCE along the easterly line of Victory Church of God said line being the easterly face of the building on lands of Victory Church of God, North 12 degrees 13 minutes 58 seconds West, 55.55 feet to the northeasterly corner of the building on lands of Victory Church of God;

THENCE along the northerly face of the building on lands of Victory Church of God, said line being the northerly line of lands of Victory Church of God, on the remaining two courses and distances:

1. North 76 degrees 46 minutes 13 seconds West, 32.38 feet to a point;
2. North 76 degrees 36 minutes 36 seconds West, 65.87 feet to the point or place of BEGINNING.

(Cliff Street Residential Site)

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Village of Walden, County of Orange and State of New York, bounded and described as follows:

BEGINNING at a point on the northeasterly side of West Main Street (NYS Route 52), said point of beginning being the most westerly corner of lands of the People of the State of New York;

RUNNING THENCE from said point of beginning and along the northeasterly side of West Main Street, North 23 degrees 38 minutes 36 seconds West, 37.55 feet to a point, said point being the southwesterly corner of lands of Wilner Isenady (Tax Lot 306-18-34);

THENCE along the southeasterly line of lands of Wilner Isenady, North 65 degrees 03 minutes 21 seconds East, 100.00 feet;

THENCE still continuing along the line of lands of Wilner Isenady, North 32 degrees 16 minutes 18 seconds West, 82.54 feet, being the most northerly corner of lands of Wilner Isenady, the most easterly corner of lands of John Paglia & Kenneth Charles (Tax Lot 306-18-35) and the southeasterly corner of lands now or formerly of Brian & Susianna Stratton (Tax Lot 306-18-36);

THENCE along the easterly line of Brian & Susianna Stratton continuing along the line of lands of Brenda Plag (Tax Lot 306-18-37), land of Tony Stroud (Tax Lot 306-18-38), lands of Jose & Veronica Betances (Tax Lot 306-18-39) North 10 degrees 30 minutes 04 seconds East, 206.44 feet to a fence post marking the southeasterly corner of lands of Edatharayil Samuel (Tax Lot 306-18-40), said point also being the southwesterly corner of lands of Shirley Sheeley Irrevocable Trust (Tax Lot 306-18-54);

THENCE along the southerly line of lands of Shirley Sheeley Irrevocable Trust, North 78 degrees 08 minutes 07 seconds East, 253.02 feet to the southeasterly corner of lands now or formerly of Shirley Sheeley Irrevocable Trust;

THENCE along the easterly line of lands now or formerly of Shirley Sheeley Irrevocable Trust, North 16 degrees 33 minutes 55 seconds East, 97.02 feet to southeasterly corner of lands of Roger & Delilah Way (Tax Lot 306-18-53);

THENCE along the easterly line of lands of Roger & Delilah Way crossing the easterly line of a lane and passing along the easterly line of lands and passing along the easterly line of lands of Peter & Loreli Mahoney (Tax Lot 306-18-52), North 9 degrees 11 minutes 15 seconds East, 132.28 feet to the easterly line of lands of John & Twylia Sisco (Tax Lot 306-18-51);

THENCE along the easterly line of lands of John & Twylia Sisco following in part along a fence, North 11 degrees 08 minutes 31 seconds East, 118.78 feet to a point on the southerly side of Oak Street, said point being the northeasterly corner of lands of John & Twylia Sisco;

THENCE along the southerly side of Oak Street, South 83 degrees 07 minutes 53 seconds East, 72.25 feet to the westerly side of the Wallkill River;

THENCE along the westerly side of the Wallkill River as it winds and turns on the following 39 courses and distances:

1. South 16 degrees 42 minutes 39 seconds West, 23.44 feet to a point;

2. South 11 degrees 27 minutes 23 seconds West, 76.78 feet to a point;
3. South 15 degrees 42 minutes 14 seconds West, 17.92 feet to a point;
4. South 9 degrees 33 minutes 00 seconds West, 26.82 feet to a point;
5. South 3 degrees 50 minutes 33 seconds West, 20.15 feet to a point;
6. South 9 degrees 38 minutes 22 seconds East, 29.26 feet to a point;
7. South 34 degrees 17 minutes 13 seconds East, 14.64 feet to a point;
8. South 25 degrees 52 minutes 11 seconds East, 23.95 feet to a point;
9. South 36 degrees 41 minutes 37 seconds East, 22.76 feet to a point;
10. South 15 degrees 59 minutes 03 seconds East, 20.34 feet to a point;
11. South 35 degrees 23 minutes 50 seconds East, 26.07 feet to a point;
12. South 15 degrees 51 minutes 39 seconds East, 23.23 feet to a point;
13. South 21 degrees 37 minutes 38 seconds East, 12.21 feet to a point;
14. South 49 degrees 00 minutes 51 seconds East, 8.08 feet to a point;
15. South 79 degrees 32 minutes 46 seconds East, 36.10 feet to a point;
16. South 54 degrees 32 minutes 40 seconds East, 16.20 feet to a point;
17. South 42 degrees 13 minutes 44 seconds East, 34.37 feet to a point;
18. South 30 degrees 33 minutes 35 seconds East, 40.12 feet to a point;
19. South 14 degrees 51 minutes 53 seconds East, 27.68 feet to a point;
20. South 5 degrees 10 minutes 20 seconds East, 23.29 feet to a point;
21. South 21 degrees 08 minutes 28 seconds West, 25.79 feet to a point;
22. South 4 degrees 06 minutes 14 seconds West, 11.18 feet to a point;
23. South 17 degrees 00 minutes 14 seconds East, 23.42 feet to a point;
24. South 7 degrees 8 minutes 50 seconds East, 16.07 feet to a point;
25. South 14 degrees 33 minutes 13 seconds West, 10.74 feet to a point;
26. South 51 degrees 31 minutes 09 seconds West, 102.45 feet to a point;

27. South 46 degrees 49 minutes 48 seconds West, 59.78 feet to a point;
28. South 78 degrees 09 minutes 50 seconds West, 30.96 feet to a point;
29. South 70 degrees 40 minutes 40 seconds West, 33.70 feet to a point;
30. South 60 degrees 21 minutes 18 seconds West, 39.12 feet to a point;
31. North 62 degrees 24 minutes 51 seconds West, 10.04 feet to a point;
32. North 25 degrees 59 minutes 17 seconds West, 28.87 feet to a point;
33. North 68 degrees 41 minutes 39 seconds West, 10.73 feet to a point;
34. South 69 degrees 46 minutes 21 seconds West, 55.10 feet to a point;
35. South 60 degrees 53 minutes 39 seconds West, 43.38 feet to a point;
36. South 72 degrees 01 minute 04 seconds West, 34.01 feet to a point;
37. South 66 degrees 34 minutes 44 seconds West, 45.66 feet to a point;
38. South 80 degrees 41 minutes 24 seconds West, 24.73 feet to a point;
39. South 45 degrees 05 minutes 47 seconds West, 84.07 feet to a point;

THENCE along lands of the State of New York (Land Acquisition Map No. 56, Parcel 56 and Map No. 57, Parcel 57), the following 4 courses and distances:

1. North 27 degrees 32 minutes 25 seconds East, 61.04 feet to a point;
2. North 17 degrees 41 minutes 03 seconds West, 43.04 feet to a point;
3. North 59 degrees 36 minutes 40 seconds West, 18.15 feet to a point;
4. South 56 degrees 33 minutes 51 seconds West, 120 feet to a point on the northwesterly line of West Main Street (NYS Route 52) to the point or place of BEGINNING.

EXHIBIT B

DESCRIPTION OF THE EQUIPMENT

All articles of personal property and all appurtenances acquired with the proceeds of the Multifamily Housing Revenue Bonds (The Cedars Apartment Project), Series 2015 in the aggregate principal amount of \$7,600,000 (the "**Bonds**") issued by Town of Montgomery Industrial Development Agency (the "Issuer") or any payment made by Walden Preservation, L.P. (the "**Company**") pursuant to Section 4.5 of the installment sale agreement dated as of July 1, 2015 (the "**Installment Sale Agreement**") by and between the Issuer and the Company (a memorandum of which was recorded on or about the date of initial issuance of the Bonds in the office of the County Clerk of Orange 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) or placed on any part thereof, though not attached thereto, and all other machinery, equipment, furniture and fixtures, whether or not acquired with the proceeds of the Bonds, now owned or hereafter acquired, including but not limited to the following:

(1) 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 motor vehicles; and

(2) 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

CURRENT FORM OF ANNUAL EMPLOYMENT REPORT

(To Be Filed by February 1 of each calendar year)

COMPANY NAME:	
ADDRESS:	
TYPE OF BUSINESS:	
CONTACT PERSON:	
TELEPHONE NUMBER:	

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

Prepared by:	
Title:	
Signature:	
Date:	