
**BOND PURCHASE AGREEMENT, LOAN AGREEMENT
AND BUILDING LOAN CONTRACT**

BY AND AMONG

THE GENESEE COUNTY FUNDING CORPORATION,

GENESEE COMMUNITY COLLEGE FOUNDATION HOUSING SERVICES, INC.

AND

FIVE STAR BANK

DATED AS OF JUNE 1, 2019

Relating To:

\$4,680,000

Principal Amount

**The Genesee County Funding Corporation
Tax-Exempt Revenue Bonds
(Genesee Community College Foundation Housing Services, Inc. Project), Series 2019**

THIS INSTRUMENT IS TO BE FILED AS A BUILDING LOAN CONTRACT

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**BOND PURCHASE AGREEMENT, LOAN AGREEMENT
AND BUILDING LOAN CONTRACT**

THIS BOND PURCHASE AGREEMENT, LOAN AGREEMENT AND BUILDING LOAN CONTRACT (the "Bond Purchase Agreement"), dated as of June 1, 2019, by and among (i) THE GENESEE COUNTY FUNDING CORPORATION, a not-for-profit corporation duly organized and existing under the laws of the State of New York having its principal office at 99 Medtech Drive, Suite 106, Batavia, New York 14020 (the "Issuer"), (ii) GENESEE COMMUNITY COLLEGE FOUNDATION HOUSING SERVICES, INC., a not-for profit corporation organized, existing and in good standing under the laws of the State of New York having an office at 1 College Road, Batavia, New York 14020 (the "Company"), and (iii) FIVE STAR BANK, a banking corporation organized and existing under the laws of the State of New York, having an office at 100 Chestnut Street, Rochester, New York 14604 (the "Bank").

W I T N E S S E T H:

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

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

WHEREAS, pursuant to a certain resolution duly adopted by the Issuer on April 23, 2019 (as may be amended or supplemented from time to time, the "Bond Resolution"), the Issuer authorized the issuance and sale of its \$4,680,000 principal amount Tax Exempt Revenue Bonds (Genesee Community College Foundation Housing Services, Inc. Project), Series 2019 (the "Bond" or the "Bonds") for the purpose of assisting in financing a certain project (the "Project") consisting of: (1)(a) the renovation of five (5) existing dormitory buildings, containing in the aggregate approximately 51,744 square feet and containing approximately fifty (50) living units which house approximately 217 students, located at 8170 Batavia-Stafford Townline Road, Town of Batavia, Genesee County, New York, as more particularly described in Exhibit A attached hereto (the "Land") including but not limited to, technology and safety upgrades and improvements, suite renovations, amenity renovations, and renovations to address disability access, and (b) the construction of approximately 864 new feet of space on the Land to be used

for building access (collectively the "Improvements"); (2) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and together with the Land and the Improvements, the "Facility"); and (3) the paying of all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds, capitalized interest and any reserve funds as may be necessary to secure the Bonds (the costs associated with items (1) through (3) above being hereinafter collectively referred to as the "Project Costs" or "Costs of the Facility"); and

WHEREAS, as security for the Bonds, (i) the Company has granted to the Issuer a mortgage lien on and security interest in the Facility (which includes Buildings A, B, C, D and E) and the existing Buildings F and G, and related improvements, on the Land (the "Existing Improvements"; together with the Facility, the "Mortgaged Facility"), pursuant to a certain Mortgage and Security Agreement, dated as June 1, 2019, from the Company to the Issuer and the Bank (the "Mortgage"); (ii) the Issuer has assigned all of its rights and interest in and to the Mortgage to the Bank pursuant to a certain Assignment of Mortgage, dated as of June 1, 2019, from the Issuer to the Bank (the "Assignment of Mortgage"); (iii) the Company has assigned to the Bank its right, title and interest in and to certain construction and related documents pursuant to a certain Assignment of Permits and Contracts, dated as of June 1, 2019, from the Company to the Bank (the "Assignment of Permits and Contracts"); (iv) the Company has assigned to the Bank all of its rights, title and interest in and to any leases with respect to the Mortgaged Facility pursuant to a certain Assignment of Leases, Rents and Profits, dated as of June 1, 2019 (the "Assignment of Leases and Rents") and (v) the Company has granted a security interest to the Bank in and to all equipment and fixtures located at the Mortgaged Facility pursuant to a certain Security Agreement dated as of June 1, 2019, from the Company to the Bank ("Security Agreement"); and

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

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

WHEREAS, the Bank, in consideration of, among other things, the express promises of the Company set forth in Section 2.04 hereof, has agreed to purchase the Bonds in the principal amount of \$4,680,000 and to make the proceeds thereof available to the Company for the purpose of assisting in the financing of the Project and deliver such Bonds, all on the terms of this Bond Purchase Agreement; and

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

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

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

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

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

"Act" shall have the meaning assigned to such term in the first (1st) WHEREAS paragraph of this Bond Purchase Agreement.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Company as debtor or the Issuer under any applicable bankruptcy, insolvency, reorganization or similar law as now or hereafter in effect.

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

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

"Appraisal" means the written statement setting forth an opinion of the market value of the Mortgaged Facility that (i) has been independently and impartially prepared by a qualified appraiser directly engaged by the Bank or its agent, (ii) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property and, (iii) has been reviewed as to form and content and approved by the Bank.

"Architect" means, collectively, the architect or architects or architectural firm or firms retained by the Company for the architectural design of the Project.

"Architect Contract" means, collectively, the contracts, if any, between the Company and the Architect relating to the architectural design of the Project, or any part thereof, together with all amendments, modifications and supplements thereto.

"Assignment of Leases and Rents" shall have the meaning assigned to such term in the fourth (4th) WHEREAS paragraph of this Bond Purchase Agreement.

"Assignment of Mortgage" shall have the meaning assigned to such term in the fourth (4th) WHEREAS paragraph of this Bond Purchase Agreement.

"Assignment of Permits and Contracts" shall have the meaning assigned to such term in the fourth (4th) WHEREAS paragraph of this Bond Purchase Agreement.

"Authorized Representative" means, in the case of the Issuer, the Chairman, the Vice Chairman, the Secretary or the Executive Director of the Issuer; in the case of the Company, the President or the Executive Director of the Company, and in the case of both, such additional persons as, at the time, are designated to act on behalf of the Issuer or the Company, as the case may be, by written certificate furnished to the Bank, and to the Issuer or Company, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, Vice Chairman, Secretary or the Executive Director of the Issuer, or (ii) the Company by the President or the Executive Director of the Company.

"Bank" means (i) Five Star Bank, a banking corporation organized and existing under the laws of the State, and its successors and assigns as the Holder, and (ii) any surviving, resulting or transferee banking association or corporation authorized to do business in the State.

"Bond" or "Bonds" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

"Bond Counsel" means the law firm of Harris Beach PLLC or an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

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

"Bondholder" or "Holder" or "Owner" means the registered owner at the time in question of the Bonds.

"Bond Payment Date" means each date on which interest or principal or any combination of the foregoing shall be payable on the Bonds according to its terms so long as the Bonds shall be outstanding.

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

"Bond Purchase Agreement" means this Bond Purchase Agreement, Loan Agreement and Building Loan Contract, dated as of June 1, 2019, by and among the Issuer, the Company and the Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Bond Resolution" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

"Budget" means the operating budget of the Mortgaged Facility for each Fiscal Year approved by the Bank, as amended and modified from time to time with the approval of the Bank.

"Building A, C Construction Contract" means the general contract between Borrower and Contractor, pertaining to the renovation of Buildings A and C at the Facility.

"Building B Construction Contract" means the general contract between Borrower and Contractor, pertaining to the renovation of Building B at the Facility.

"Building D, E Construction Contract" means the general contract between Borrower and Contractor, pertaining to the renovation of Buildings D and E at the Facility.

"Building Permits" means the building permits for the construction of the Improvements issued by the municipality in which the Land is located.

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

"Closing Date" means the date of sale and delivery of the Bonds, being June 27, 2019.

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

"College" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

"Commitment" means that commitment letter from the Bank to the Company.

"Company" means Genesee Community College Foundation Housing Services, Inc., a not-for profit corporation, existing and in good standing under the laws of the State.

"Completion Date" means the date of completion of the Project.

"Computation Date" shall have the meaning ascribed to it in the Tax Compliance Agreement.

"Condemnation" means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under Governmental Authority.

"Conditions to Conversion" means the satisfaction of the following conditions prior to August 31, 2020 (unless waived by the Bank) (a) construction of the Improvements is substantially completed, and the Company has received the final disbursement of Bond Proceeds available hereunder; (b) there is in effect a fully paid commercial package policy of insurance or its equivalent which policy must be satisfactory to Bank in all respects, which covers the Mortgaged Facility and includes no less than the following: extended coverage with all risk, replacement costs, including contents, loss of rents and liability, for a period of no less than twelve months; coverage in an amount at least equal to the amount of the Bonds and contains no coinsurance clause; (c) no Event of Default, or any event or state of facts which after notice or the passage of time, or both, could give rise to an Event of Default exists; (d) there has been no material adverse change to the Mortgaged Facility or in the financial condition of the Company; (e) the Company is in compliance with the Debt Service Coverage Ratio currently in effect; (f) all fees due and payable under the Financing Documents shall have been paid; (g) the amount of the Bonds shall not exceed eighty percent (80%) of the appraised value of the Mortgaged Facility, which appraised value shall be inclusive of all outstanding debt supported by the Mortgaged Facility; and (h) the Company shall have executed and delivered to Bank such other information, documentation or certifications as the Bank may reasonably request.

"Construction Escrow Account" means a controlled account at the Bank in the name of the Company into which the Bank may deposit a portion of the Bond Proceeds on the Closing Date for the construction and equipping of the Facility.

"Construction Contract" means collectively, the contracts, if any, by and between the Company and the Contractor relating to the construction or reconstruction of any of the Project, together with all amendments, modifications and supplements thereto, including the Building A, C Construction Contract, the Building B Construction Contract, and the Building D, E Construction Contract.

"Construction Period" means the period commencing on the date of the Bond and ending on the earlier of (i) the last day of the month in which the Bank confirms in its sole discretion that the Company has satisfied all Conditions to Conversion or (ii) August 31, 2020.

"Contractor" means, collectively, the general contractors and/or the construction manager retained or to be retained by the Company for the purposes of constructing the Project or any part thereof.

"Covenant Compliance Certificate" means that certain certificate to be provided to the Bank by the Company as required by Section 2.04(e)(v) and in the form set forth in Exhibit E attached hereto.

"Conversion Date" means the fifth day of the first month after the end of the Construction Period.

"Debt Service Coverage Ratio" means a ratio of Net Operating Income to the sum of (i) interest expense on all indebtedness of the Company and (ii) all regularly scheduled principal reductions under the Bonds and all other indebtedness of the Company.

"Environmental Compliance and Indemnification Agreement" means the Environmental Compliance and Indemnification Agreement dated as of June 1, 2019 from the Company to the Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Environmental Event" means (i) the presence, release generation, storage, disposal, removal, transportation or treatment of hazardous materials or hazardous substances (as defined in any applicable Environmental Laws, and including friable asbestos and materials containing friable asbestos) on any Property owned, occupied or operated by the Company (including the Project or any portion thereof), or by any Person for whose conduct the Company is responsible (any or all of such Property owned, occupied or operated by such Persons for whose conduct the Company is responsible being "Other Affected Property"), or on any Property adjoining or in the vicinity of the Project or Other Affected Property ("Adjoining Property"), which through soil or ground water migration could come to be located at or on such Property owned, occupied or operated by the Company or any Other Affected Property; provided, that in each case the same has resulted in contamination or deterioration of any portion of such Property, Other Affected Property or Adjoining Property in a level of contamination greater than the levels permitted or established by any governmental authority having jurisdiction over the Company, of such Property, Other Affected Property or Adjoining Property; or (ii) the receipt by the Company of any written notice or claim of any violation, nuisance, negligence or other tort or other theory alleging liability on the basis of any of the events described in the foregoing item (i).

"Environmental Laws" means all Federal, State and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of Federal, State and local governmental agencies and authorities with respect thereto.

"Equipment" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

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

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

"Event of Taxability" means (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under the Bonds, (B) a "final determination by decision or ruling by a duly constituted administrative

authority" to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Holder of a written opinion of Bond Counsel that there is no longer a basis for the Holder (or any former Holder) to claim that any interest paid and payable on the Bonds is excluded from gross income for federal income tax purposes.

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

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

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

"Facility" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

"Fiscal Year" means the twelve (12) month period beginning on September 1, in any year or such other fiscal year as the Company may adopt from time to time.

"Five Star Senior Loans" means that certain loan made by the Bank to the Company in the original principal amount of \$2,344,707, secured by a Mortgage dated June 29, 2005 and duly recorded in the Genesee County Clerk's Office in Liber 285 of Miscellaneous Records at page 777 and that certain loan made by the Bank to the Company in the original principal amount of \$1,060,000, secured by a Mortgage dated April 5, 2007 and duly recorded in the Genesee County Clerk's Office under in Liber 294 of Miscellaneous Records at page 176.

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

"Hazardous Materials" or "Hazardous Substance" means any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), Articles 15 or 27 of the New York Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

"Holder" means the Bank.

"Improvements" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

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

"Initial Advance" means the first advance made by the Bank under this Bond Purchase Agreement for the purchase of the Bonds.

"Inspecting Engineer" means an independent engineer or independent engineering firm selected by the Bank, which is registered and qualified to practice the profession of engineering under the laws of the State and is not a full time employee of the Issuer or the Company.

"Interest Rate Swap Agreement" means the Interest Rate Swap Master Agreement and Schedule to be executed and delivered by the Company on or before the Conversion Date and any and all documents related to or in furtherance of any Swap Transactions entered into by the Company.

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

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

"Land" shall have the meaning assigned to such term in the third (3rd) WHEREAS paragraph of this Bond Purchase Agreement.

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

to be the owner of any Property which it has acquired or holds subject to a conditional Lease Agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Lien Law" means the New York State Lien Law.

"Maturity Date" means October 27, 2040.

"Mortgage" shall have the meaning assigned to such term in the fourth (4th) WHEREAS paragraph of this Bond Purchase Agreement.

"Net Operating Income" means net income (loss) after taxes, plus depreciation expense, plus amortization expense and other intangible assets, plus interest expense accrued on all interest bearing indebtedness of the Company, plus (minus) all non-cash items.

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

"Operating Account" means the general operating account of the Company maintained at the Bank.

"Payment and Performance Bonds" means one hundred percent (100%) Payment and Performance Bonds with respect to the Contract, issued by a domestic surety with an AM Best Rating of A or better and in amounts and form and content satisfactory to the Bank, naming the Bank as a dual obligee.

"Permanent Period" means the period of time from the Conversion Date to the Maturity Date.

"Permitted Encumbrances" means with respect to the Mortgaged Facility, (i) the Bond Purchase Agreement, (ii) the Mortgage, (iii) the Assignment of Leases and Rents, (iv) utility, access and other easements and rights of way, restrictions and exceptions that do not materially impair the use or the value of the Property affected thereby for the purpose for which it is intended, (v) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens to the extent permitted by Section 8.7(b) hereof, (vi) taxes, assessments and other charges to the extent permitted by Section 6.3(b) hereof, (vii) Liens for taxes at the time not delinquent, (viii) purchase money mortgages, liens or encumbrances on existing or newly acquired equipment, (subject to the terms and conditions of the Bond Documents), (ix) the Liens created by the Five Star Senior Loans and (x) the Lien created by the USDA Loan.

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

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

"Plans and Specifications" means the plans and specifications for the Facility, prepared for the Company, as revised from time to time.

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

"Project Costs" or "Costs of the Facility" shall have the meaning assigned to such term in the fifth (5th) WHEREAS paragraph of this Bond Purchase Agreement.

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

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

"Rebate Fund" means the fund so designated and created pursuant to Section 4.36 of this Bond Purchase Agreement.

"Reconstruction Fund" means the fund so designated and created pursuant to Section 4.18 of this Bond Purchase Agreement.

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

"Retainage" means five percent (5%) of hard costs of then-completed construction as determined by the Bank as verified from time to time by the Inspecting Engineer pursuant to the provisions of this Bond Purchase Agreement. The Retainage shall in no event be less than the amount actually held back by the Company from the Contractor and all subcontractors and materialmen engaged in the construction of the Improvements. The Retainage shall not be released until the construction of the Improvements has been completed in accordance with the Plans and Specifications accepted by the Bank and the Inspecting Engineer and the provisions of this Bond Purchase Agreement.

"Revenues" means all receipts, revenues, income and other money received by the Company in connection with the Mortgaged Facility from any source and all rights to receive the same (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Company.

"Security Agreement" shall have the meaning assigned to such term in the fourth (4th) WHEREAS paragraph of this Bond Purchase Agreement.

"SEORA" means the State Environmental Quality Review Act, as amended and the regulations thereunder.

"State" shall have the meaning assigned to such term in the first (1st) WHEREAS paragraph of this Bond Purchase Agreement.

"Swap" or "Swap Transactions" means one or more agreements for the Bonds with the Bank with respect to any interest rate swap, forward, future or derivative transaction or option or similar agreement involving one or more interest rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk of value.

"Swap Indebtedness" means the indebtedness, liabilities, fees, costs, assessments, or obligations, now existing or hereafter arising, due or to become due, absolute or contingent, of the Company to the Bank under any Swap Transaction, Swap or Transaction Documents.

"Swap Transaction Documents" means any and all documents related to any Swap Transactions for the Bonds with the Bank, including but not limited to the Interest Rate Swap Agreement.

"Tax-Exempt Organization" shall have the meaning assigned to such term in Section 2.03(a) hereof.

"Taxable Rate" shall have the meaning assigned to such term in the Bond.

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

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

"Title Insurance Company" means Stewart Title Insurance Company.

"Unassigned Rights" means (i) the rights of the Issuer under Sections 4.12, 4.13, 4.14, 4.16, 4.17, 4.21, 4.26, and 7.10 hereunder; (ii) the monies due and to become due to the Issuer for its own account or the members, officers, agents (other than the Company) and employees of the Issuer for their own account; and (iii) the right to enforce the foregoing pursuant to Article X of this Bond Purchase Agreement.

"USDA Loan" means that certain loan made by the United States Department of Agriculture (the "USDA") to the Company in the original principal amount of \$1,393,000,

secured by a Mortgage dated March 7, 2007 and duly recorded in the Genesee County Clerks' Office in Liber 1520 of Mortgages at page 722.

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

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of the Bonds at their respective stated maturity.
- (c) All references herein to particular articles or sections are references to articles or sections of this Bond Purchase Agreement.
- (d) The table of contents and headings of the several Sections herein are solely for convenience of reference and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase Agreement.
- (e) The use of the neuter gender shall include the masculine and feminine genders as well.

ARTICLE II

REPRESENTATIONS BY AND COVENANTS OF THE ISSUER, THE COMPANY AND THE BANK

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

- (a) The Issuer is a public benefit corporation under the laws of the State, duly organized and existing as such under the Constitution and the laws of the State;
- (b) The Issuer has full power and authority to issue and sell the Bonds to finance the Cost of the Facility and to pay the costs of such financing as is provided in this Bond Purchase Agreement, to secure the Bonds in the manner provided in this Bond Purchase Agreement, and the Issuer has taken all actions and obtained all approvals required by the Act;
- (c) The Issuer has duly adopted the Bond Resolution and has duly authorized the execution and delivery of each of the Issuer Documents, and the issuance and sale of the Bonds, and has taken all actions necessary or appropriate to carry out the same;
- (d) The Issuer is not aware of any litigation or proceeding pending or, to the Issuer's knowledge, threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds or the Issuer Documents;

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

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

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

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

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

(c) The Issuer will take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under the Bonds and each of the Issuer Documents and in order to provide for and to assure payment of the Bonds and interest thereon when due;

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

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

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

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

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

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

(a) The Company is a not-for-profit corporation duly organized and validly existing under the laws of the State and has all requisite company power and authority to conduct its business as now conducted and as presently contemplated, to make the borrowings and obligations created hereunder and to consummate the transactions contemplated hereby. The Company is an organization described in Section 501(c)(3) of the Code, is not a "private foundation" as defined in Section 509(a) of the Code and is exempt from federal income taxation under Section 501(a) of the Code, except for unrelated business taxable income subject to taxation under Section 511 of the Code and amounts subject to tax under Section 527(f) of the Code (a "Tax-Exempt Organization"). The Company has received a determination letter from the Internal Revenue Service to the foregoing effect, which letter is still in full force and effect. The Company has no "unrelated business taxable income" as defined in Section 512 of the Code which could have a material adverse effect on the Company's status as an organization described in Section 501(c)(3) of the Code or its exemption from federal income taxation under Section 501(a) of the Code or which, if such income were subject to federal income taxation, would have a material adverse effect on the condition, financial or otherwise, of the Company.

(b) The financial statements, if any, provided directly to the Bank are correct and complete in all material respects and fairly represent the financial condition of the Company as of the date indicated, and have been prepared in conformity with generally accepted accounting principles, consistently applied.

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

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

(e) There has been no material adverse change in the business, properties or financial condition of the Company from that shown on the financial statements submitted to the Bank.

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

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

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

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

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

(j) The Company has a fee interest in the Mortgaged Facility free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except the Permitted Encumbrances. The Company has good title to all collateral pledged to the Bank, free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances with the exception of any Lien in connection with either the Five Star Senior Loans or the USDA Loan. The Bond Documents create or will create a valid and prior lien or security interest in favor of the Bank in all collateral pledged to the Bank, subject to no other liens or encumbrances arising by, through or under the Company or any other person, except for the Permitted Encumbrances.

(k) The Company has good and marketable fee title in its real properties in accordance with the laws of the jurisdiction where located, and good and marketable title to substantially all its other property and assets, subject, however, in the case of real property, to title defects and restrictions which do not materially interfere with the operations conducted thereon by the Company. Except for liens in favor of the Bank or the Issuer and except for Permitted Encumbrances, the Mortgaged Facility and all other property and assets of the Company owned in connection with the Mortgaged Facility are free from any liens or encumbrances of any kind. Each lease to which the Company is a party is in full force and effect, no material default on the part of any party thereto exists, and, as to each of such leases to which the Company is party as lessee, the Company enjoys peaceful and undisturbed possession of the property affected thereby.

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

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

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

(o) The Company has no subsidiaries.

(p) The Company has no knowledge of any pending assessments or adjustments of its income tax for any year and all taxes due have been paid, except as have been disclosed in writing to the Bank. All assessed deficiencies, if any, resulting from Internal Revenue Service examinations of the Federal income tax returns of the Company have been discharged or reserved against. The Company has filed or caused to be filed all Federal, state and local tax returns which are required to be filed, and has paid or have caused to be paid all taxes as shown on said returns or on any assessment received by them, to the extent that such taxes have become

due, except any such taxes that are immaterial in amount or are being contested in good faith with appropriate reserves set aside therefor.

(q) To the best of the Company's knowledge,

(i) No Property of the Company is in violation of any Environmental Laws, no Environmental Event has occurred and is continuing on any Property of the Company and

(ii) the Company has received all permits and filed all notifications necessary to carry on its business in compliance with all applicable Environmental Laws. The Company has no knowledge of, nor has given any written or oral notice to any federal, state or local agency regarding any actual or imminently threatened Environmental Event. The Company has no knowledge of, nor has received any notice that it is potentially responsible for costs of clean-up of any Environmental Event.

Section 2.04. Covenants of the Company.

(a) The Company covenants and agrees with the Issuer and the Bank that the Company will undertake the Project in accordance with the Plans and Specifications; any amendments or revisions to the Plans and Specifications shall be subject to the prior written approval of the Bank and the Inspecting Engineer, which approval may not unreasonably be withheld or delayed, but may be subject to such conditions as the Bank may deem appropriate.

(b) The Company agrees to provide or cause to be provided insurance or evidence of insurance in accordance with the terms and conditions set forth herein and in the Commitment. The original policies of insurance or certificates thereof shall be deposited with the Bank.

(d) The Bank and its agents shall, at all times during the construction and equipping of the Facility, have the right of entry and free access to the Mortgaged Facility, upon reasonable notice to the Company, to inspect all work done, labor performed and materials furnished in and about the Facility, and to inspect all books and records of the Company kept in connection therewith; provided the exercise of such rights shall be during business hours at times reasonably convenient to the Company and the Bank and shall not interfere in a material way with the construction and equipping or related work on the Facility.

(e) The Company shall also furnish or shall cause to furnish to the Bank:

(i) (A) Consolidated audited financial statements, including balance sheets, income and expense statements, and statements of cash flow of the Company not more than one hundred and twenty (120) days after the end of each of the Company's Fiscal Years and quarterly interim management prepared financial statements within forty-five (45) days after each fiscal quarter. Such statements shall be prepared by an independent certified public accountant reasonably acceptable to the Bank, be in detail reasonably satisfactory to the Bank, and shall be prepared in accordance with generally accepted accounting principles consistently applied. Such financing statements shall also be certified to be true and correct by the chief executive and chief financial officers of the Company.

- (ii) Promptly, upon sending or receipt, copies of any management letters and correspondence relating to management letters, sent or received by the Company to or from the Company's auditor. If no management letter is prepared, the Bank may, in its discretion, request a letter from such auditor stating that no deficiencies were noted that would otherwise be addressed in a management letter;
- (iii) A copy of the Budget in form and substance acceptable to the Bank in all respects within one hundred twenty (120) days after each of the Company's Fiscal Years.
- (iv) A rent roll for all units at the Mortgaged Facility in form and substance acceptable to the Bank in all respects within forty-five (45) days after the start of each academic term at the College.
- (v) A completed Covenant Compliance Certificate and any supporting material therefor within seventy-five (75) days after each calendar year end.
- (vi) Promptly upon the Bank's request, such other books, records, statements, lists of property and accounts, budgets, forecasts or reports as to the Company as the Bank may reasonably request,
- (f) Beginning on the Closing Date and through and including Fiscal Year ending August 31, 2021, the Company covenants that it will maintain a Debt Service Coverage Ratio of at least 1.00 to 1.00, thereafter and for so long as any Bonds are outstanding, the Company covenants that it will maintain a Debt Service Coverage Ratio of at least 1.10 to 1.00. Compliance with this Debt Service Coverage Ratio covenant will be tested annually at the end of each Fiscal Year.
- (g) The Company will cause the Improvements to be constructed and the Equipment installed in the Improvements or elsewhere on the Land substantially in accordance with the Plans and Specifications.
- (h) The Company shall not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge upon its interest in the Mortgaged Facility, other than as described herein and other than Permitted Encumbrances, nor shall it assign its interest in the Mortgaged Facility, without the prior written consent of the Bank.
- (i) Except for Permitted Encumbrances and as described herein and as permitted in the Mortgage and the other Bond Documents, the Company will not convey or encumber its interest in the Mortgaged Facility or any portion thereof or interest therein nor assign this Bond Purchase Agreement or the Bond Proceeds to be advanced to or upon the order of the Company.
- (j) The Company will indemnify the Bank and the Issuer from claims of brokers arising by reason of the execution hereof or the consummation of transactions contemplated

hereby and from expenses incurred by the Bank or the Issuer in connection with any such claims (including reasonable attorneys' fees).

(k) The Company will deliver to the Bank, on demand, copies of any contracts, bills of sale, statements, receipted vouchers or agreements, under which the Company, as agent of the Issuer, or the Issuer claims title to any materials, fixtures or articles constituting part of the Equipment or incorporated in the Improvements or subject to the Lien of the Mortgage.

(l) The Company will, upon demand of the Bank, correct any structural defect in the Improvements or any material departure from the Plans and Specifications not approved by the Bank in writing; the advance of any Bond Proceeds shall not constitute a waiver of the Bank's right to require compliance with this covenant with respect to such defects or departures from the Plans and Specifications not previously discovered by, or called to the attention of, the Bank.

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

(n) The Company covenants and agrees that it has not and shall not: (i) merge into or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Bank's consent; (ii) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation; (iii) commingle its assets with the assets of any of its members, affiliates, or of any other Person or entity or transfer any assets to any such Person; (iv) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and affiliates of Company, the affiliates of a shareholder, partner or member of Company, and any other Person or entity; (v) fail to prepare and maintain its own financial statements in accordance with generally accepted accounting principles and susceptible to audit, or if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the fee interest in the Mortgaged Facility is actually owned by the Company; (vi) enter into any contract or agreement with any shareholder, partner, member, principal or affiliate of the Company, or any shareholder, partner, member, principal or affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or affiliate of the Company, or any shareholder, partner, member, principal or affiliate thereof; (vii) seek dissolution or winding up, in whole or in part; (viii) fail to file its own tax returns or to use separate contracts, purchase orders, stationery, invoices and checks; (ix) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (A) to mislead others as to the entity with which such other party is transacting business, or (B) to suggest that the Company is responsible for the debts of any third party (including any shareholder, partner, member, principal or affiliate of the Company, or any shareholder, partner, member, principal or affiliate thereof); (x) fail to allocate fairly and

reasonably among the Company and any third party any overhead for common employees, shared office space or other overhead and administrative expenses; (xi) allow any Person or entity to pay the salaries of its own employees or fail to maintain a sufficient number of employees for its contemplated business operations; (xii) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (xiii) file a voluntary petition or otherwise initiate proceedings to have the Company adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company, or file a petition seeking or consenting to reorganization or relief of the Company as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Company; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequester, custodian, liquidator (or other similar official) of the Company or of all or any substantial part of the properties and assets of the Company, or make any general assignment for the benefit of creditors of the Company, or admit in writing the inability to the Company to pay its debts generally as they become due or declare or effect a moratorium on the Company debt or take any action in furtherance of any such action; (xiv) share any common logo with or hold itself out as or be considered as a department or division of (A) any shareholder, partner, principal, member or affiliate of the Company, (B) any affiliate of a shareholder, partner, principal, member or affiliate of the Company, or (C) any other Person or entity or allow any Person or entity to identify the Company as a department or division of that Person or entity; or conceal assets from any creditor, or enter into any transaction with the intent to binder, delay or defraud creditors of the Company or the creditors of any other Person or entity.

(o) The Company will furnish to the Issuer and the Bank, within five (5) days after becoming aware of the existence of any condition or event which constitutes an Event of Default, written notice specifying the nature and period of existence thereof and the action which the Company is taking or proposes to take with respect thereto.

(p) So long as the Bank is the Holder of the Bonds, the Construction Escrow Account shall at all times be pledged by the Company to the Holder (and the Company hereby gives, grants and conveys to the Holder a perfected security interest in and to the same) as security for payment and performance of its obligations and liabilities under this Agreement and the other Bond Documents. The Company covenants and agrees, and the Issuer and the Holder acknowledge, that all amounts on deposit in the Construction Escrow Account will be invested at a yield not to exceed the yield on the Bonds to the extent required pursuant to the Tax Compliance Agreement.

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

(a) The Bank has had an opportunity to make such investigations and has had access to such information with respect to the Company and its affairs and condition, financial and otherwise, which the Bank has deemed necessary in connection with and as a basis for the purchase of the Bonds, and any and all information relating to the Company and its affairs which the Bank has requested has been provided to the Bank.

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

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

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

(e) The Bank has not requested or received from the Issuer any information which it, as a reasonable investor, deems important in reaching its investment decision to purchase the Bonds. It has received from the Company and not the Issuer whatever information requested with respect to the Company and the Mortgaged Facility which it deems as a reasonable investor important in reaching its investment decision to purchase the Bonds. The Bank acknowledges that neither the Issuer nor its counsel nor Bond Counsel have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the Company and that the Issuer, its Counsel and Bond Counsel do not make any representations to the Bank with respect to the adequacy, sufficiency or accuracy of any financial statements and information or other information provided to the Bank or with respect to the ability of the Company to pay the Bonds or fulfill its obligations with respect to the transactions contemplated in connection therewith. The Bank is not relying on any statements or representations by the Issuer with respect to: (i) the financial condition of the Company, (ii) the creditworthiness of the Company, (iii) the competency or integrity of the management of the Company, or (iv) the suitability of the Facility for the Company's business. The Bank has made an independent evaluation of the facts listed

above without reliance upon any evaluation or investigation by the Issuer, its counsel or Bond Counsel as to any of them, except to the extent such facts are specifically opined upon by the Issuer's counsel or Bond Counsel in their respective opinion letters to be delivered to the Bank on the Closing Date.

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

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

ARTICLE III

CLOSING AND PURCHASE AND SALE OF BONDS

Section 3.01. Closing Date. Loan Of Bond Proceeds. Upon satisfaction of the conditions set forth in Section 3.02 hereof, the Bank will purchase the Bonds from the Issuer, and the Issuer will sell the Bonds to the Bank, on the Closing Date. The purchase price for the Bonds shall be the sum of (1) the principal amount of the Initial Advance (which shall be payable in immediately available funds) advanced by the Bank on the Closing Date, together with (2) all additional amounts thereafter advanced by the Bank pursuant to the terms of this Bond Purchase Agreement.

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

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

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

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

(i) the valid corporate existence of the Issuer;

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

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

(c) A certified copy of the Bond Resolution and proof of due corporate action by the Issuer.

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

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

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

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

(h) A complete detailed estimate of all direct and indirect costs associated with the construction of the Project and evidence satisfactory to the Bank that the available Bond Proceeds and other funds available to the Company are sufficient to pay said costs (the "Construction Budget") and that the Bond Proceeds do not exceed ninety (90%) of said costs. The Construction Budget shall, at least, include a construction time schedule, draw schedule, cost breakdown of the Project by improvement and itemized as to trade category and subdivision of work to be done, the names of each contractor and subcontractor with whom a contract has been executed, or the estimated cost if no contract has been executed, a breakdown of the indirect (non-construction) costs including such items as legal and accounting fees, escrow charges, payments in lieu of real estate taxes, construction period interest, insurance, marketing, management, leasing and educating expenses, if any. The Construction Budget shall also include a hard and soft cost contingency reserve in an amount equal to not less than ten percent (10%) of the total amount of construction costs under the Construction Budget, which shall be reserved to cover the payment of construction cost contingencies incurred in connection with the construction of the Improvements and shall not be advanced for any other purpose unless otherwise agreed to by the Bank in its sole discretion.

(i) An Appraisal prepared for the Bank, by an appraiser acceptable to the Bank, of the Mortgaged Facility on an "as completed" basis demonstrating that the principal amount of the Bonds is not more than eighty percent (80%) of the estimated fair market value of the Mortgaged Facility, as determined by the Bank from the Appraisal.

(j) A current survey of the Land in conformity with local survey standards sufficient for the Title Insurance Company to omit the survey exception from the title insurance policy insuring the Mortgage and certified to the Issuer, the Bank and the Title Insurance Company.

(k) The final Plans and Specifications.

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

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

(n) A copy of the Construction Contract and an agreement signed by the Contractor, in form and content satisfactory to Bank, under which the Contractor agrees to continue to perform for Bank the services Contractor has contracted to perform for Company, notwithstanding any default under the Financing Documents or Bank's foreclosure of, the Mortgage, provided the Contractor receives future payments under its contract.

(o) A copy of the Architect Contract and an agreement signed by the Architect, in form and content satisfactory to Bank, under which the Architect agrees to perform for Bank the services the Architect has contracted to perform for the Company, provided the Architect receives future payments under the Architect Contract, and containing Architect's certification that the Project, when completed according to the Plans and Specifications, will comply with all applicable laws, regulations and ordinances.

(p) The Payment and Performance Bonds.

(q) An environmental questionnaire completed by the Company and acceptable to the Bank at its sole discretion.

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

(s) Evidence satisfactory to the Bank that the zoning of the Land permits the use and operation of the Facility as proposed;

(t) A paid title insurance policy in form and substance satisfactory to the Bank and its counsel, in an amount equal to the principal amount of the Bonds, insuring the Mortgage to be a valid Lien on the Mortgaged Facility subject in priority only to the prior mortgages securing the Five Star Senior Loans and the USDA Loan, free and clear of all defects and encumbrances except Permitted Encumbrances and such other defects and encumbrances as Bank and its counsel shall approve.

(u) Evidence that the Mortgaged Facility is not located in an area that has been identified by the Secretary of Housing and Urban Development as having special flood hazards, or that the Company has obtained the flood hazard insurance required by the National Flood Insurance Act of 1968, as amended by Flood Disaster Protection Act of 1973 (42 USC 4013, et seq.).

(v) A report from the Inspecting Engineer, in form and substance satisfactory to the Bank, indicating that the Inspecting Engineer has reviewed the construction plans and costs and is satisfied with same.

(w) Any portion of the commitment fee and the other fees due on the Closing Date pursuant to the Commitment and the fees of Bank's counsel payable on the Closing Date, together with any other costs incurred by the Bank prior to the Closing Date.

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

(y) UCC-1 financing statements or comparable security instruments to evidence or perfect the security interests created or purported to be created by the Bond Documents.

(z) A certified copy of the fully executed certificate of incorporation of the Company, in form and substance satisfactory to the Bank and certificates of good standing relating to the Company.

(aa) A resolution (or unanimous written consent) of the appropriate governing body of the Company approving and authorizing the execution and delivery of the Financing Documents to which the Company is a party and the encumbrance of the Mortgaged Facility, in form and substance satisfactory to the Holder;

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

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

Section 3.03. Provisions Relating to Exchange of Bonds.

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

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

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

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

Section 3.04. Loss, Theft, Destruction or Mutilation of the Bonds. In the event the Bonds are mutilated, lost, stolen or destroyed, the Issuer may execute and deliver new Bonds of like maturity, interest rate and principal amount, bearing the same number, if any, as the mutilated, destroyed, lost or stolen Bonds and bearing a notation indicating the principal amount outstanding, in exchange for the mutilated bond, or in substitution for a bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer (i) such security or indemnity as may be required by it to save the Issuer and its members, servants, agents and employees harmless from all risks, however remote, reasonably related to such exchange or transfer, (ii) evidence to its satisfaction of the mutilation, destruction, loss or theft of the Bonds and of the ownership thereof and (iii) in the case of mutilation, the mutilated Bonds. Upon the issuance of a bond upon such exchange, or substitution, the Issuer may require the Holder of the Bonds to make the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer. In case the Bonds shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of the mutilation of the Bonds) if the applicant for such payment shall furnish to the Issuer such security or

indemnity as it may require to save the Issuer and its members, servants, agents and employees harmless from all risks, however remote, and evidence satisfactory to the Issuer of the mutilation, destruction, loss or theft of the Bonds and of the ownership thereof.

Section 3.05. Commitment. The parties agree that the terms and conditions of the Commitment are incorporated herein and the terms and conditions of the Commitment shall survive the making of the loan and purchase of the Bonds. In the event of any variation between the provisions of this Bond Purchase Agreement and the Commitment with respect to the making of the loan and the purchase of the Bonds, the provisions hereof shall govern.

ARTICLE IV

THE DISBURSING AGENT; BOND PROCEEDS AND APPLICATION THEREOF; OTHER OBLIGATIONS OF COMPANY; INSURANCE PROVISIONS

Section 4.01. Advances of Bond Proceeds. Subject to the provisions of this Section 4.01, the Purchaser will make (1) the Initial Advance in the principal amount of \$1,721,965.45 in immediately available funds upon satisfaction of the conditions set forth in Section 3.02 hereof and (2) further advances upon satisfaction of the conditions set forth in Section 4.02 hereof. From the Initial Advance, \$1,546,364.05 shall be advanced to the Company to repay the Company for the costs of construction which have duly been incurred in conjunction with the renovation of the Facility and the remainder of the Initial Advance shall be advanced to pay for other Costs of the Facility in connection with closing and issuance of the Bonds, which such Initial Advance may be deposited with the Title Insurance Company acting as escrow agent for the closing of the transactions contemplated herein. If required by the Bank, or if the Issuer or Bond Counsel advises a draw down basis will no longer be permitted, the remainder of the purchase price will be advanced and all remaining Bond Proceeds shall be advanced and deposited into the Construction Escrow Account to be requisitioned by the Company for the construction and equipping of the Facility in accordance with the terms hereof. On the date of such deposit, the entire principal amount of the Bonds shall have been deemed to be advanced to the Company.

(a) So long as no Event of Default exists hereunder, the Issuer hereby authorizes the Bank to disburse monies on its behalf solely for the purposes set forth in Section 4.02 hereof.

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

(c) A disbursement hereunder shall not be deemed to be an approval by the Bank of any work or labor performed with respect to the Facility, or approval or acceptance by Bank as to the fitness of such work or materials.

(d) All advances of the Bond Proceeds hereunder and all disbursements from the Construction Escrow Account shall be advanced net of Retainage for deposit into the Operating

Account and shall be an amount equal to the amount approved by the Bank with respect to the corresponding written requisition as described in Section 4.02 below.

(e) Unless previously funded to the Construction Escrow Account, each requisition made under Section 4.02 below shall constitute a corresponding draw on the Bonds.

For the purposes of the New York Lien Law \$4,294,468 of the Bond Proceeds advanced on the date hereof shall be a "building loan" for the financing of certain "improvement" and "cost of improvement" item as such terms are defined in the New York Lien Law.

Section 4.02. Use of Bond Proceeds.

(a) Subject to compliance by the Issuer and the Company with the terms and conditions of this Bond Purchase Agreement, including without limitation, Sections 4.03, 4.04, 4.05 and 4.06 hereof, all advances of Bond Proceeds and all disbursements from the Construction Escrow Account shall be advanced by the Bank for the purpose of paying Project Costs and reimbursement to the Company for expenditures incurred for such costs, subject to and in compliance with the Tax Compliance Agreement. All advances of Bond Proceeds and all disbursements from the Construction Escrow Account shall be advanced to pay for the Cost of the Facility and shall be advanced to the Company for deposit into the Operating Account or to the Company's designee, no more than once each calendar month, upon the Bank being furnished with:

(i) A written requisition therefor in form and substance substantially the same as Exhibit D attached hereto received by the Bank at least ten (10) days prior to the date the disbursement is sought, but in no event more frequently than once every thirty (30) days (provided, however, that the Bank on the Closing Date may advance Bond Proceeds for disbursements, based on any requisition received on or before the Closing Date and otherwise complying with this Section 4.02), certified to by the Authorized Representative of the Company in form and substance satisfactory to the Bank, stating: (A) the name of the Person to whom payment is to be made; (B) the amount of the payment; (C) that the disbursement is for a proper expenditure of Bond Proceeds; (D) the classification and the nature and purpose of the expenditure; (E) that there are no vendor's, mechanic's, or other liens, bailment leases, conditional sale contracts, security interests or laborer's liens which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment; (F) that none of the items for which the requisition is made has been the basis for any prior disbursement of Bond Proceeds; (G) that all Persons furnishing materials to, or performing work on, the Facility have been paid or will be fully paid to date from the proceeds of the requisition (except with respect to any Retainage); and (H) that the balance of Bond Proceeds not yet disbursed to the Company is sufficient to complete the construction and equipping of the Facility in accordance with the Plans and Specifications;

(ii) For construction items, a certificate of payment of the Inspecting Architect or Inspecting Engineer on the Company's requisition and on AIA Documents G-702 and G-703, received by the Bank at least ten (10) days prior to the date the disbursement is

sought, certifying: (A) Inspecting Engineer's approval of the requisition; (B) that the obligation was properly incurred; (C) that the amount requisitioned has been paid or is due and unpaid and shall be paid from the amount of monies requisitioned; (D) the value of the work, labor and services and of materials, supplies and equipment being paid from such requisition; (E) the value of the completed portion of the Facility; (F) that insofar as the payment is to be made for the work, materials, supplies or equipment, the work has been performed and the materials, supplies or equipment have been installed in the Facility or have been delivered either at the Facility or at a proper place for fabrication and are covered by adequate insurance insuring the Bank as secured party; and (G) that all work, materials, supplies and equipment for which payment is to be made are in accordance with the Plans and Specifications;

(iii) Subject to approval by the Bank and/or the Inspecting Engineer, copies of all change orders with respect to any variation in cost of any line item in excess of \$50,000.

(iv) For non-construction items, copies of all invoices, bills, receipts and other information relating to the amount being requisitioned and substantiating the actual incurrence by the Company of said items;

(v) For each draw, lien waivers signed by all contractors who enter into construction contracts with the Contractor and/or the Company for all work done and materials supplied that were included in the preceding requisition;

(vi) A certificate executed by an Authorized Representative of the Company stating that the representations, covenants and warranties of the Company in the Bond Documents are true on the date of such disbursement and that no Event of Default has occurred and is continuing as of such date; and

(vii) Copies of all necessary Building Permits.

(viii) Certificates, policies or other evidence satisfactory to the Bank, that the insurance required hereunder and in the Commitment, including, without limitation, builder's risk insurance satisfactory to the Bank in its sole discretion, is in full force and effect.

(ix) A clear continuation of title to the date of such advance of Bond Proceeds and evidence that the title insurance policy insures the priority of the Lien of the Mortgage with respect to the advance requested.

(x) Such other or further documents, data or information as the Bank shall reasonably request.

Notwithstanding anything to the contrary herein, the Bank shall have no obligation to make advances under the Bond Purchase Agreement for any construction costs incurred in connection with: (i) the renovation of Building B until such time as (a) Bank has completed to its

satisfaction its pre-cost analysis with respect to the Building B Construction Contract, (b) Bank has received a copy of the Notice to Proceed issued by Borrower in connection with the Building B Construction Contract, and (c) Bank has received a copy of the Building Permit for Building B; (ii) the renovation of Building A until such time as the Bank has received a copy of the Building Permit for Building A; and (iii) the renovation of Building C until Bank such time as the Bank has received a copy of the Building Permit for Building C.

Regardless of whether the Company has submitted a requisition therefor, the Bank may from time to time make advances of Bond Proceeds or disbursements from the Construction Escrow Account for amounts which become due for construction and non-construction expenses for which the Company is responsible for payment, including interest due under the Financing Documents. Such advances may be made directly to parties to whom such amounts are due or to Bank to reimburse Bank for sums due to it. All such advances and advances to parties other than the Company shall be deemed advances of Bond Proceeds to the Company hereunder and shall be secured by the collateral pledged to the same extent as if they were made directly to the Company.

Notwithstanding any provision contained herein to the contrary, the Bank reserves the right, upon written notice to the Company, to limit the total amount of Bond Proceeds advanced at any time to an amount which, when deducted from the total amount of available, leaves a balance to be advanced equal to or greater than the cost of completion of the Improvements and remaining non-construction expenses plus the Retainage applicable, all as reasonably determined by the Bank in its sole discretion, and taking into account projected equity infusions, if any. Bank may make reasonable changes in procedures for making advances following written notice to the Company.

(b) The Bank shall not be obligated to make any advances of Bond Proceeds hereunder unless the Bank is satisfied in its sole discretion that the conditions precedent to the making of such advance have been satisfied by the Company. Further, and notwithstanding anything in subsection (a) of this Section 4.02 to the contrary, the Bank may in its sole discretion withhold any advance of Bond Proceeds or disbursements from the Construction Escrow Account pursuant to a requisition for construction items, if, within the ten (10) day period following the Bank's receipt of the documentation required by such subsection (a), the Bank causes its duly authorized representative, employee or agent to conduct an inspection of the applicable portion of the Facility and, based upon such inspection, the Bank determines that the construction items in such requisition are not properly payable. In addition, the Company authorizes the Bank, at the Bank's discretion, to engage at the Company's expense, the Inspecting Engineer to review on behalf of the Bank the Plans and Specifications, all permits and approvals, and to conduct on-site inspections on behalf of the Bank in order to determine whether construction of such portion of the Facility has been in accordance with the Plans and Specifications, whether the necessary percentage or work has been completed in order to justify the advance requested, to review the progress, quality and completion of the construction of such portion of the Facility, to approve all requests for payment, to determine whether other work shall be deemed necessary and/or appropriate in order to complete the construction of such portion of the Facility in accordance with the Plans and Specifications and to determine the

amount of time from the date of inspection which will be required to complete construction of such portion of the Facility in accordance with the Plans and Specifications.

(c) The final advance of the Bond Proceeds or the final disbursement from the Construction Escrow Account shall not be paid to the Company until the Bank has received the following, in addition to the other items described above:

(i) Evidence satisfactory to the Bank that the Facility is in compliance with all applicable zoning ordinances, laws, regulations and building codes of the governmental authorities having jurisdiction over the Facility, which evidence shall include a final unconditional certificate of occupancy for the Facility and such other permits and approvals as may be required by any governmental authority for the use and occupancy of the Facility;

(ii) A completed AIA Form G707 (Consent of Surety to Final Payment);

(iii) Report from the Inspecting Engineer verifying that the Facility is Complete;

(iv) An as-built survey if any changes have been made to the footprint of a building or as otherwise required by the Bank;

(v) Final title insurance policy, if not previously issued;

(vi) Affidavit of payment from the Contractor and such waivers of Lien, from the Contractor and all other contractors and subcontractors, and other documents as may be required to insure that there are no mechanics' or materialmen's liens for labor furnished or materials supplied in connection with the construction, reconstruction and equipping of the Facility and any such other evidence of Lien-free completion of the Improvements as the Bank may require; and

(vii) Municipal approval of any off-site access roads or other components of the Facility.

(viii) A certificate of completion, as set forth below.

The Company shall proceed with due diligence to complete the construction and equipping of the Facility and shall complete such construction and equipping within sixteen (16) months from the Closing Date but in no event later than August 31, 2020 (except for certain items of construction itemized by the Company prior to such date and approved by the Bank in writing), provided, however, such date may be extended with the consent of the Bank, which shall not be unreasonably withheld or delayed, provided that construction continues to proceed with reasonable due diligence and tenants of any unit not ready for occupancy are provided with reasonable and proper accommodation. At the request of the Bank, completion of the Facility shall be evidenced by a AIA Form G704 (Certificate of Substantial Completion) signed by an Authorized Representative of the Company, the Architect and the Inspecting Engineer, as

applicable, stating that (A) the construction and equipping of the Facility has been completed in accordance with the Plans and Specifications therefor and (B) the payment of all labor, services, materials and supplies used in such construction and equipping has been made or provided for. Additionally, the Company shall provide to the Bank copies of the permanent Certificates of Occupancy issued by the appropriate authorities with respect to the Facility.

Section 4.03. Compliance with Section 13 of the Lien Law. The Company and the Issuer covenant and agree that the Company shall receive the advances to be made hereunder to pay the Cost of the Facility and will hold the same, together with the right to receive such advances, as a trust fund to be applied first for the purposes of paying the "cost of the improvements" (as such term is defined in the Lien Law), and the Company will apply the same first to the payment of the cost of the improvements before using any part thereof for any other purpose. A true statement verified by an Authorized Representative of the Company as required by Section 22 of the Lien Law is attached hereto as Exhibit B and made a part hereof. If so indicated in such affidavit, a portion of the Bond Proceeds will be used for reimbursement for payments made prior to the date of the first advance hereunder, for items constituting a portion of the "cost of the improvements", as defined in the Lien Law.

Section 4.04. Deficiency. The Bank shall not be obligated to make any advance of Bond Proceeds or disbursements from the Construction Escrow Account to the Company if the balance of the Bond Proceeds not yet disbursed to the Company is at any time less (the amount by which it is less being hereinafter referred to as the "Deficiency") than the actual sum, as estimated by the Bank and, if requested by the Bank and Inspecting Engineer, which will be required to complete the Facility in accordance with the Plans and Specifications and this Bond Purchase Agreement, and to pay all other costs and expenses of any nature whatsoever which will be incurred in connection with the completion of the Facility. The Company shall, within fifteen (15) days after being notified by the Bank that there is or will be a Deficiency, either (and the failure of the Company to timely do either of the following shall, at the Bank's option, be an Event of Default) (i) invest in the Facility in a manner satisfactory to the Bank an amount equal to the Deficiency and deliver to the Bank evidence satisfactory to the Bank of such investment, which investment shall remain invested in the Facility until the Bonds, plus interest, and all other sums which may or shall become due under the Bonds or the other Bond Documents (hereinafter referred to as the "Debt") have been paid in full, or (ii) deposit with the Bank, in an account designated thereby, an amount equal to the Deficiency. Any such amounts deposited by the Company shall be advanced by the Bank in accordance with this Article IV. If an Event of Default shall occur and be continuing, the Bank, in addition to all other rights which it has hereunder and under the other Bond Documents, shall have the unconditional right, at its option, to apply, in whole or in part, any amounts deposited by the Company with respect to the Deficiency, to the payment of the Debt in such order and priority as the Bank shall deem appropriate.

Section 4.05. Installation of Additional Equipment. The Company from time to time may install any machinery, equipment and other personal property not constituting part of the Facility on or in the Mortgaged Facility (which may be attached or affixed to the Mortgaged Facility) as it may deem desirable. The Company from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Mortgaged Facility

and may create or permit to be created any Lien on such machinery, equipment or other personal property; provided that any such removal of such machinery, equipment or other personal property shall not impair the overall operating efficiency of the Facility for the purpose for which it is intended; and provided further that if any damage is occasioned to the Mortgaged Facility by such removal, the Company shall at its own expense promptly repair such damages. The Issuer shall not be responsible for any loss or damage to any property installed pursuant to this Section 4.05.

Section 4.06. Taxes, Assessments and Utility Charges.

(a) The Company agrees to pay, as the same respectively become due, (i) all taxes and governmental charges of any kind (if any) whatsoever which may at any time be lawfully assessed or levied against or with respect to the Mortgaged Facility and any machinery, equipment or other property installed or bought by the Company therein or thereon, including, without limitation, any taxes levied upon or with respect to the income or revenues of the Issuer from the Mortgaged Facility, (ii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, upkeep and improvement of the Mortgaged Facility and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements, provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Bond Purchase Agreement to pay only such installments as are required to be paid during the term of the Bonds.

(b) The Company may in good faith contest any such taxes, assessments and other charges (if any). In the event of any such contest, the Company may permit the taxes, assessments and other charges so contested, to remain unpaid during the period of such contest and any appeal therefrom, unless the Issuer or its members, officers, agents or servants may be liable for prosecution for such nonpayment in which event the Company shall promptly take such action as shall be satisfactory to the Issuer.

Section 4.07. Reserved.

Section 4.08. Disbursement of Balance of Bond Proceeds in a Construction Escrow Account Upon Completion of Project or in Event of Default. Upon (i) completion of the Project or (ii) the occurrence and continuance of any Event of Default hereunder, any balance of undisbursed Bond Proceeds in the Construction Escrow Account, except for Retainage shall be applied by the Bank as follows:

(a) Unless an Event of Default shall have occurred hereunder and the Bank shall have heretofore declared the outstanding principal of the Bonds to be due and payable in accordance with Section 6.02 hereof, the balance of undisbursed Bond Proceeds in the Construction Escrow Account, including any income earned on the investment of the undisbursed Bond Proceeds pursuant to Section 4.09 hereof, shall be applied to prepay the Bonds as provided in Section 5.02(b)(i) hereof.

(b) If an Event of Default shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance of the undisbursed Bond Proceeds in the Construction Escrow Account, including any income earned on the investment of the undisbursed Bond Proceeds to Section 4.09 hereof, shall be applied to the payment of the outstanding principal of and interest on the Bonds.

Section 4.09. Investment of Monies. (a) The Bond Proceeds in the Construction Escrow Account may be invested and reinvested by the Bank in Authorized Investments in compliance with the Tax Compliance Agreement. In making any such investment the Bank may rely conclusively on the written directions of the Company delivered to it pursuant to this Section 4.09 and the Bank shall be relieved of all liability with respect to the making of such investments in accordance with such directions. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the holder thereof on or prior to the date on which the amounts invested therein will be needed for the purposes hereunder. The Bank may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance of undisbursed Bond Proceeds in the Construction Escrow Account is insufficient in the sole reasonable judgment of the Bank for the purposes thereof. Any such investments shall be held by or under control of the Bank and the interest accruing thereon and any profit realized from such investments shall be credited to and held in and any loss shall be charged to the balance of the undisbursed Bond Proceeds in the Construction Escrow Account.

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

Section 4.10. Express Promise to Improve Real Property. The Company hereby expressly promises and agrees to complete the Project in accordance with the Plans and Specifications.

Section 4.11. Insurance Required. At all times throughout the terms of the Bonds (except as specifically provided for in this Section) the Company shall maintain the following insurance coverage:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against by similar businesses in the area, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full insurable value of the Mortgaged Facility, but in no event less than the principal amount of the Bonds. During the period of construction of any portion of the Mortgaged Facility, such policy with respect to such Mortgaged Facility shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

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

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

(d) Commercial General Liability Insurance protecting the Company, the Bank and the Issuer against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the Property of others caused by any accident or occurrence, with limits of not less than \$2,000,000 per accident or occurrence on account of personal injury including death resulting therefrom, and \$2,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable worker's compensation law.

(e) Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employer's Liability coverages which is at least as broad as these underlying policies with a limit of liability of \$5,000,000.

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

Section 4.12. Additional Provisions Respecting Insurance. All insurance required by Section 4.11. hereof shall be procured and maintained with financially sound and generally recognized responsible insurance companies, maintaining an AM Best rating of at least A- and a financial size of VIII or higher, selected by the entity required to procure the same and authorized to write such insurance in the State and acceptable to the Bank in its sole discretion. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing insurance coverages required by subsections (b), (c), (d) and (e) of 4.11 hereof shall name the Company as insured and the Issuer and the Bank as additional insureds. All policies evidencing insurance coverages required by Section 4.11(a) and 4.11(f) hereof shall name the Company as insured and the Bank as secured party and loss payee, and shall provide for written notice at least thirty (30) days to the Company, the Issuer and the Bank prior to cancellation or reduction in policy limits; provided that insurance limits must be in at least the principal amount of the Bonds outstanding regardless of deductible amounts. All insurance required hereunder shall be in form, content and coverage satisfactory to the Issuer and the Bank in their sole discretion and shall not contain any coinsurance provisions or blanket coverage with existing policies without the prior consent of the Bank. The original policy, or a commitment binder for insurance, of all insurance required hereby shall be delivered to the Issuer and the Bank on or before the Closing Date. The

Company shall deliver to the Issuer and the Bank, on or before the first Business Day in December of each calendar year thereafter a certificate dated not earlier than the immediately preceding November 1st, reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) months, insurance in the amounts and of the types required by Sections 4.11 and 4.12 hereof. At least thirty (30) days prior to the expiration of any such policy, the Company shall furnish to the Issuer and the Bank, evidence that the policy has been renewed or replaced or is no longer required by this Bond Purchase Agreement.

Section 4.13. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 4.11 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Sections 4.11(a) and 4.11(f) hereof shall be applied as provided in Section 4.13 hereof, and (ii) the Net Proceeds of the insurance required by Sections 4.11(b), 4.11(c), 4.11(d) and 4.11(e) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 4.14. Right of Bank or the Issuer to Pay Taxes, Insurance Premiums and Other Charges. If the Company fails (i) to pay any tax, assessment or other governmental charge required to be paid by Section 4.06 hereof or (ii) to maintain any insurance required to be maintained by Section 4.11 hereof, the Bank or the Issuer, may, but is not required to, pay such tax, assessment or other governmental charge or for such insurance. The Company shall reimburse the Bank or the Issuer, as the case may be, for any amount so paid by the Bank or the Issuer pursuant to this Section 4.14, together with interest thereon from the date of payment by the Bank or the Issuer, as the case may be, at the rate of interest equal to six percent (6%) in excess of the rate at which interest accrues on the Bonds, or the maximum rate permitted by law, whichever is less. Notwithstanding anything in this Section to the contrary, prior to paying any such tax, assessment, governmental charge or insurance premium, the Bank and/or the Issuer, as applicable, shall give the Company ten (10) days notice of its intent to make such payment, provided, however, that the failure of the Bank to provide such notice shall not discharge the Company's obligation to make reimbursements therefor under this Section.

Section 4.15. Exempt from Taxation. It is recognized that the Company is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities.

Section 4.16. Damage or Destruction. The provisions of this Section 4.16 shall apply in the event the Mortgaged Facility is damaged or destroyed during the term of the Bonds.

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

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

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

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

(iv) unless the Bank makes an election pursuant to subsection (b) of this Section 4.16, the Company shall promptly replace, repair, rebuild or restore the Mortgaged Facility to substantially the same (or comparable) condition and value as an operating entity as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Company and consented to by the Bank in writing, provided that the Company delivers or causes to be delivered to the Bank (A) an estimate in all respects satisfactory to the Bank, prepared by an architect or engineer acceptable to the Bank indicating that the Net Proceeds, taken together with additional proceeds deposited by the Company with the Bank, are sufficient to replace, repair, rebuild or restore the Mortgaged Facility to substantially the same (or comparable) condition and value as an operating entity as existed prior to such damage or destruction, (B) the Net Proceeds and any additional funds needed to satisfy (A) above shall be deposited into the Reconstruction Fund (as defined in Section 4.18 hereof), (C) the Company shall submit to the Bank executed and binding contracts for repairs, replacements and restoration and plans and specifications, each of which must be in all respects satisfactory to the Bank, and (D) the repair, restoration or rebuilding must be substantially comparable in size, quality and value to the Mortgaged Facility immediately before repair, restoration or rebuilding.

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

(b) The Company shall not be obligated to replace, repair, rebuild or restore the Mortgaged Facility, and the Net Proceeds of the insurance shall not be applied as provided in subsection (a) of this Section 4.16, if within ninety (90) days of the event causing damage or destruction to the Mortgaged Facility, the Bank shall notify the Issuer and the Company that, in its sole judgment, it does not deem it practical or desirable to so replace, repair, rebuild or restore the Mortgaged Facility. In such event, the Bonds shall be prepaid in full including all amounts payable to the Issuer and the Bank, with all interest accrued thereon, without prepayment penalty.

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

(d) Provided no Event of Default has occurred and is continuing, the Company, with the prior written consent of the Bank, may adjust all claims under any policies of insurance required by Section 4.11(a) hereof.

Section 4.17. Condemnation of Mortgaged Facility. The provisions of this Section 4.17 shall apply in the event that title to all or any part of the Mortgaged Facility is taken by Condemnation during the term of the Bonds.

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

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

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

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

(iv) unless the Company makes an election pursuant to subsection (b) of this Section 4.17, the Company shall promptly replace or restore the Mortgaged Facility (excluding any part of the Land taken by Condemnation) to substantially the same condition and value as an operating entity as existed prior to such Condemnation with such changes, alterations and modifications as may be desired by the Company and consented to by the Bank in writing.

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

(b) The Company shall not be obligated to restore the Mortgaged Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in Section 4.17(a) hereof, if within sixty (60) days of the act of Condemnation, the Bank shall notify the Issuer and the Company that, in its sole judgment, it does not deem it practical or desirable to so replace or restore the Mortgaged Facility. In such event, the Bonds shall be prepaid in full including all amounts payable to the Issuer and the Bank with all interest accrued thereon.

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

(d) Provided no Event of Default shall have occurred and be continuing, the Company shall, with the prior written consent of the Bank, have control of any Condemnation proceeding with respect to the Mortgaged Facility or any part thereof and may negotiate the settlement of any such proceeding. The Issuer shall, with prior written consent of the Bank, at the sole expense of the 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 prior written consent of the Company and the Bank.

Section 4.18. Escrowing of Net Proceeds. The Net Proceeds referred to in Section 4.16 or Section 4.17 hereof shall be paid to the Bank for deposit into a new account known as the "The Genesee County Funding Corporation Reconstruction Fund – Genesee Community College Foundation Housing Services, Inc. 2019 Project" (the "Reconstruction Fund"). Provided no Event of Default has occurred and is continuing, the monies in the Reconstruction Fund shall be administered in accordance with the Bank's then current requirements for building loan advances.

Section 4.19. Condemnation of Company-Owned Property. The Company shall be entitled to the proceeds of any Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is owned by the Company and is not part of the Mortgaged Facility.

Section 4.20. No Warranty of Condition or Suitability by the Issuer: Acceptance "As Is". THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR ANY PORTION THEREOF OR THAT THE FACILITY OR ANY PORTION THEREOF IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL AND DOES ACCEPT TITLE TO THE FACILITY "AS IS" WITHOUT RECOURSE OF ANY NATURE AGAINST THE ISSUER FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER LATENT OR PATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

Section 4.21. Hold Harmless Provisions.

(a) The Company agrees that the Issuer and its respective members, officers, directors, employee or agents shall not be liable for, and agrees to defend, indemnify, release and hold the Issuer and its respective members, officers, directors, employees and agents harmless from and against, any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Mortgaged Facility or (ii) liability arising from or expense incurred by the Issuer's financing of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the Company of any of the covenants contained herein, all claims,

causes of action, judgments, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of an Event of Default hereunder or under any of the other Bond Documents or an occurrence, which with the giving of notice or the passage of time, would ripen into an Event of Default, and all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer or its respective members, officers, directors, employees or agents are not incurred or do not result from the gross negligence or the intentional or willful wrongdoing of the Issuer or its respective members, officers, directors, employees or agents, as the case may be. Except as otherwise provided, the foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or any of its respective members, officers, directors, employees or agents and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability.

(b) In the event of any claim against the Issuer or any of its respective officers, members, employees, servants or agents by any employee 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 damage, compensation or benefits payable by or for the Company or such contractor under Workers' Compensation acts, disability benefits or other employee benefit acts.

(c) To effectuate the provisions of this Section 4.21, the Company agrees to provide for and insure, in the liability policies required in Section 4.11(d) hereof, its liabilities assumed pursuant to this Section 4.21, to the extent such liabilities are insurable.

(d) Notwithstanding any other provisions of this Bond Purchase Agreement, the obligations of the Company pursuant to this Section 4.21 shall remain in full force and effect after the payment in full of the Bonds until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer and any of its respective officers, members, employees, servants or agents (other than the Company), relating to the enforcement of the provisions herein specified.

Section 4.22. Agreement to Provide Information. The Company agrees, whenever requested by the Issuer or the Bank, to comply with reasonable requests by the Issuer or the Bank for information concerning the Company, its finances and other topics as the Issuer or the Bank, from time to time considers reasonably necessary or appropriate, including, but not limited to, such information as to enable the Issuer or the Bank to make any reports required by law, governmental regulation or the Bond Purchase Agreement.

Section 4.23. Compliance With Orders, Ordinances, Etc.

(a) The Company agrees that it will, until the Bonds are paid in full, promptly materially comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards,

companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Mortgaged Facility or any part thereof, or to any use, manner of use or condition of the Mortgaged Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 4.23, the Company may in good faith contest the validity or the applicability of any requirement of the nature referred to in subsection (a) above, provided that the Company shall have first notified the Issuer and the Bank of such contest. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Issuer or the Bank, shall notify the Company that by failure to comply with such requirement or requirements the Issuer or any of its members, officers, agents (other than the Company) or servants may be liable for prosecution for failure to comply therewith in, which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

Section 4.24. Books of Record and Account; Financial Statements; Compliance Certificates. 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 and to permit the Bank or its Authorized Representative to inspect such accounts, records or books and to make extracts from and copies of such accounts, records or books.

Section 4.25. Discharge of Liens and Encumbrances.

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

(b) Notwithstanding the provisions of subsection (a) of this Section 4.25, the Company may in good faith contest any such Lien, provided that the Company shall have first notified the Issuer and the Bank of such contest. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Bank, shall notify the Company that by nonpayment of any such item or items the Mortgaged Facility or any part of the Mortgaged Facility may be subject to loss or forfeiture, in which event the Company shall promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Issuer and the Bank, thereby causing such Lien to be removed.

Section 4.26. Performance by Issuer or Bank of Company's Obligations Should the Company fail to make any payment or to do any act as herein provided for a period of seven (7) days after receiving written notice of such failure to pay or act and without releasing the Company from any obligation herein, the Issuer or the Bank may make or do the same, including without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Issuer, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company will pay immediately upon demand all sums so expended by the Issuer or the Bank under the authority hereof, together with interest thereon at a

per annum rate of interest equal to (i) five percent (5%) in excess of the rate of interest accruing on the Bonds, or (ii) the maximum rate permitted by law, whichever is less. Notwithstanding anything in this Section to the contrary, prior to making any payment, the Bank and/or the Issuer, as applicable, shall give the Company ten (10) days notice of its' intent to make such payment; provided, however, that the failure of the Bank to provide such notice shall not discharge the Company's obligation to make reimbursements therefor under this Section.

Section 4.27. Covenant Against Arbitrage Bonds. So long as the Bonds 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 monies within their respective control (including, without limitation, the proceeds of any insurance settlement or any Condemnation award with respect to the Mortgaged Facility) in any manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in Section 148 of the Code. The Company agrees that it will comply with all of its covenants in the Tax Compliance Agreement relating to the restrictions contained in Section 148 of the Code. The Issuer authorizes the 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 4.28. Depreciation, Deductions and Investment Tax Credits. The parties agree that, as between themselves, the Company shall be entitled to all depreciation or cost recovery deductions with respect to any depreciable property of the Mortgaged Facility pursuant to Section 167 or 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Mortgaged Facility which constitutes "Section 38 Property" as defined in the Code.

Section 4.29. Company to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the term of the Bonds it will maintain its corporate existence, will not dissolve or liquidate or otherwise dispose of all or substantially all of its assets, and will not merge or be consolidated with or into any other Person or permit one or more Persons to consolidate with or merge into it without the prior written consent of the Issuer and the Bank and without complying with the second sentence of this Section. In addition to Bank and Issuer consent pursuant to this Section, no such merger, consolidation or transfer of assets shall occur until the following conditions are met: (a) the surviving, resulting or transferee entity, as the case may be, is organized under the laws of one of the states of the United States of America and qualifies to do business in the State, (b) the surviving, resulting or transferee entity, as the case may be, assumes in writing all of the obligations of and restrictions on the Company under this Bond Purchase Agreement and any other agreement securing the Company's performance hereunder, (c) immediately after the consummation of the transaction, and after giving effect thereto, the surviving, resulting or transferee entity, as the case may be, has a net worth at least equal to the net worth of the Company immediately prior to the transaction, (d)

that the proposed transaction will not adversely affect the exclusion of the interest payable on the Bonds from the gross income of the Holder for federal income tax purposes and as of the date of such consolidation, merger, sale or transfer, Company shall, at its expense, furnish the Issuer and the Holder with (i) an opinion of Independent Counsel opining as to the compliance with items (a) and (b) of this Section, (ii) an opinion of an Accountant opining as to the compliance with item (c) of this Section, (iii) an opinion of Bond Counsel as to compliance with item (d), and (iv) a certificate dated the effective date of such consolidation, merger, sale or transfer, signed by an Authorized Officer of the Company and the general partner or chief executive officer, whichever is applicable, of the surviving, resulting or transferee entity, as the case may be, to the effect that immediately after consummation of the transaction, and after giving effect thereto, no Event of Default exists under this Bond Purchase Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default; and (v) such other documents, instruments and certificates as Issuer and/or the Bondholder may reasonably request.

Section 4.30. Reserved.

Section 4.31. Employment Opportunities. The Company shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

Section 4.32. Restriction on Transfer of Mortgaged Facility.

(a) The Company shall not during the term of the Bonds sell, convey, transfer, encumber or otherwise dispose of the Mortgaged Facility or any part thereof or any of its rights hereunder, without the prior written consent of the Issuer and the Bank. Prior to any proposed transfer, encumbrance or disposition of the Mortgaged Facility the Company shall provide the Issuer and the Bank with the following:

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

(ii) A certificate of the Company stating that the Company is not then in default under this Bond Purchase Agreement;

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

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

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

(vi) Such other documents and information as the Bank may reasonably request.

(b) No conveyance of all or any portion of the Mortgaged Facility or interest therein effected under the provisions of this Section 4.32 shall entitle the Company to any abatement or diminution of any amounts payable under this Bond Purchase Agreement and the Bonds. No assignment, sale or other disposition of the Mortgaged Facility shall relieve the Company from primary liability for any of its obligations hereunder.

Section 4.33. Removal of Equipment.

(a) In any instance where the Company reasonably determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item of Equipment from the Mortgaged Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the efficient operation of the Mortgaged Facility for the purpose for which they are intended.

(b) The removal of any item of Equipment pursuant to this Section 4.33 shall not entitle the Company to any abatement or diminution of any amounts payable under this Bond Purchase Agreement or the Bonds. At the request of the Company, the Issuer shall execute and deliver, to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment free from the Liens of the Bond Documents. The Company shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from the Liens of the Bond Documents any item of Equipment removed pursuant to this Section 4.33.

Section 4.34. Merger of Issuer.

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

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

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

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

Section 4.35. Distribution of Revenue.

(a) All Revenues with respect to the Mortgaged Facility shall be deposited by the Company into the Operating Account.

(b) The Company shall disburse funds in the Operating Account as follows:

(i) commencing on the fifth calendar day of the first calendar month following the Closing Date and on the fifth calendar day of each month thereafter, if such day is a Business Day and if not, then on the next succeeding Business Day, through and including the Maturity Date, the Company shall pay to the Bank all principal and interest then due on the Bonds;

(ii) the Company shall pay all fees owed to the Issuer and the Bank as required by the Bond Documents;

(iii) the Company shall deposit in the Rebate Fund any amount necessary to make a required deposit to the Rebate Fund in accordance with Section 4.36 hereof.

(iv) the Company shall pay all other obligations and expenses in connection with the Mortgaged Facility.

Section 4.36. Payments into Rebate Fund; Application of Rebate Fund. The Issuer hereby creates the Rebate Fund to be held and disbursed by the Bank. The Company shall transfer funds from the Operating Account to the Rebate Fund in accordance with the following terms:

(a) The Company, shall pursuant to 4.35 hereof, deposit in the Rebate Fund on the first Business Day of each month following each Computation Date an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such Computation Date.

(b) In the event that on the second Business Day following a Computation Date, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Bank, upon the receipt of written instructions from an Authorized Representative of the Company, shall transfer such excess amount to the Operating Account.

(d) The Bank, upon the receipt of written instructions from an Authorized Representative of the Company, shall pay to the United States, out of amounts in the Rebate Fund, not less frequently than once each five (5) years after the date of original issuance of the Bonds, by the sixtieth (60th) day following such anniversary date an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment and not later than sixty (60) days after the date on which the Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of payment.

(e) The Bank shall have no obligation under this Bond Purchase Agreement to act with respect to the Rebate Fund unless the Bank shall have received specific written instructions from the Company for such action.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.01. Payment of Principal and Interest.

(a) The Issuer shall pay interest, premium, if any, and the principal of the Bonds in accordance with the terms thereof.

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

Section 5.02. Prepayment and Redemption of the Bonds.

(a) Optional Redemption without Penalty. During the Construction Period, the Company may prepay the Bond and the Bond is subject to redemption in whole or in part without premium at the option of the Company upon prior written notice to the Bank on any Bond Payment Date together with all accrued interest as of the redemption date.

(b) Optional Redemption with Premium. At the option of the Company, the Bonds may be prepaid and are subject to redemption in whole or in part upon thirty (30) days prior written notice to the Bank on any Bond Payment Date together with all accrued interest as of the redemption date and together with a prepayment premium of one percent (1%) of the amount prepaid (the "Premium") provided the Premium shall be waived if such prepayment is made (i) with internally generated funds of the Company, or (ii) after August 31, 2030.

(c) Mandatory Redemption.

(i) The Bonds shall be subject to mandatory prepayment and redemption, without payment of the Premium, in whole or in part on any Business Day, in an amount equal to (i) the amount, if any, by which the Bond Proceeds advanced to the Construction Escrow Account exceed the amount required to pay the Costs of the Facility advanced pursuant to Section 4.02 of this Bond Purchase Agreement; (ii) the amounts received from or on behalf of contractors or subcontractors, as provided in Section 5.02(c) of this Bond Purchase Agreement (except to the extent that the Company is entitled to reimbursement from such Net Proceeds for certain expenses as provided in such subsection); (iii) the amount, if any, by which the Net Proceeds of any insurance or any condemnation award with respect to the Mortgaged Facility exceed the cost of repairing or restoring the Mortgaged Facility, as provided in this Bond Purchase Agreement; or (iv) the amount, if any, of the Net Proceeds of title insurance covering the Mortgaged Facility. In addition, accrued interest to the date of such prepayment shall be paid on the amount of such prepayment.

(ii) The Bonds shall also be subject to mandatory prepayment and redemption in whole at the option of the Bank, and subject to payment of the Premium, (i) if the Conditions to Conversion have not been satisfied by the Conversion Date, (ii) if the Interest Rate Swap Agreement has not been executed and delivered to the Bank by the Conversion Date, (iii) upon an Event of Default under this Bond Purchase Agreement or (iv) upon an Event of Taxability.

Any redemption or prepayment of the Bonds, in whole or in part, whether voluntary or involuntary, will be subject to payment by the Company to the Bank of all assessments, losses, fees and costs of any kind or nature incurred by the Bank under any and all Swap Transaction Documents (as defined herein) by and between the Company and the Bank, which arise, directly or indirectly, as a result of such prepayment. Moreover, at no time during the term of the Bonds may the then principal balance of the Bonds be less than the then remaining notional amount of the Swap, and any prepayment of the Bonds below the notional amount will require an equivalent reduction in the notional amount under the Swap Transaction Documents. This prepayment penalty provision is only applicable if the Company and the Bank have entered into a Swap Transaction evidenced by separate Swap Transaction Documents.

(d) In the event of a default by any contractor, subcontractor or materialman under any contract made by it in connection with the construction and equipping of the Facility or in the event of a breach of warranty 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 Issuer's prior written consent, 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 notify the Issuer of any actions or

proceedings taken hereunder. The Net Proceeds of any amount recovered by way of damages, refunds, adjustments or otherwise pursuant to the provisions of this section shall first be applied to correct any defects in material, workmanship or performance and the remaining Net Proceeds, if any, shall be applied toward repayment of the Bonds.

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

Section 5.04. Redemption. During the Permanent Period, the Bonds shall be subject to mandatory redemption, in part, in the amounts and on the dates set forth in the amortization schedule to be provided by the Bank upon the commencement of the Permanent Period. The Company acknowledges that any payments made by the Company and received by the Bank on dates other than as set forth in the amortization schedule may alter the amount due and owing for subsequent dates. The Company shall consult the periodic "loan" statements provided by the Bank.

Notwithstanding the above, if any date in which a payment is due pursuant to this Section 5.04 and in accordance with the above referenced amortization schedule is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding Business Day.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES

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

(a) The Issuer or the Company fails to pay (or cause to be paid) the principal of, or redemption premium or interest on the Bonds within ten (10) days of the date on which the same shall become due and payable;

(b) (i) Subject to clause (ii) below, the failure by the Company or the Issuer to observe and perform any covenant, condition or agreement hereunder or in any of the Bond Documents on their respective parts to be observed or performed (except obligations referred to in Section 6.01(a) hereof) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company or the Issuer, as the case may be, by the Bank;

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

(c) The occurrence of an Event of Default under any of the other Bond Documents.

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

(e) The Issuer, the Company, or an authorized representative of either, shall have made, in any certificate, statement, representation, warranty or financial statement furnished to the Bank in connection with the financing of the Facility, a material representation which proves to have been false or misleading as of the time such statement was made, or any such certificate, statement, representation, warranty or financial statement shall omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

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

(g) If any of the following events occur: (i) any Reportable Event which the Bank determines in good faith might constitute grounds for the termination of any Plan or for the appointment by the appropriate United States district court of a trustee to administer any Plan, continues for thirty (30) days after the Bank has given written notice thereof to the Company, (ii) any Plan incurs any "accumulated funding deficiency" (as such term is defined in ERISA) whether waived or not, (iii) the Company engages in any Prohibited Transaction (as defined in Section 4975 of the Code), (iv) a trustee is appointed by an appropriate United States district court to administer any Plan, or (v) the Pension Benefit Guaranty Corporation, or any successor thereto institutes proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or

(h) If the Company (i) is adjudicated a debtor or insolvent, or ceases, is unable, or admits in writing its inability, to pay its debts as they mature, or makes an assignment for the

benefit of creditors; (ii) applies for, or consents to, the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property, or any such receiver, trustee, or similar officer is appointed without the application or consent of the Company; (iii) institutes, or consents to the Company, by petition, application, or otherwise, any bankruptcy reorganization, arrangement, readjustment of debt, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; (iv) has any such proceeding described in clause (iii) instituted against it and such proceeding remains thereafter undismissed for a period of sixty (60) days; or (v) has any judgment, writ, warrant of attachment or execution or similar process issued or levied against a substantial part of its property and such judgment, writ, or similar process is not released, or fully bonded within sixty (60) days after its issue or levy;

(i) If the Company shall merge or consolidate with any other corporation or entity or sell, lease, transfer, or otherwise dispose of a substantial part of their respective property or assets, or permit any subsidiary to do so (except that any subsidiary may merge into or consolidate with, or sell or otherwise dispose of its assets to the Company, as the case may be) without first having obtained the Bank's written consent, which consent the Bank shall not unreasonably withhold.

(j) If the Company sells, transfers or assigns substantially all of its assets to any Person not otherwise consented to by the Bank.

(k) Except as set forth in Section 4.32, if the Company shall sell, convey, transfer, encumber or otherwise dispose of any part of the Land and/or the Improvements and/or any collateral pledged to the Bank or any part thereof or any interest therein without the prior consent of the Bank.

(l) The imposition of a Lien on the Mortgaged Facility, other than a Permitted Encumbrance which is not bonded or otherwise discharged of record within thirty (30) days of filing;

(m) If the Company shall fail to exhibit to the Bank, within ten (10) days after its receipt of written demand, receipts showing payment of all taxes, water rates, sewer rents and assessments; or

(n) If any federal tax lien is filed against the Company or the Mortgaged Facility and the same is not bonded or otherwise discharged of record within thirty (30) days;

(o) The Company acknowledges and agrees that an Event of Default under this Bond Purchase Agreement shall also constitute an event of default under all Swap Transactions. In addition to the Bank's rights set forth herein, upon the occurrence of an Event of Default under this Bond Purchase Agreement, the Bank has the right to demand payment of any Swap Indebtedness. Conversely, the Company acknowledges and agrees that an Event of Default under the Swap Indebtedness shall also constitute an Event of Default under the Bonds, the Bond Purchase Agreement and any other Bond Documents. Upon the occurrence of an Event of Default under the Swap Indebtedness, the Bank has the right to exercise all of its rights and remedies under the Loan Documents, including acceleration of the Note.

Section 6.02. Acceleration; Annulment of Acceleration.

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

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

Section 6.03. Enforcement of Remedies.

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

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

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

(d) Upon the occurrence and continuance of any Event of Default, the Bank may, in addition to any other remedies which the Bank may have in the Bank's sole and absolute discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and

Specifications with such changes therein as the Bank may deem appropriate, and employ watchmen and other security to protect the Mortgaged Facility, all at the risk, cost and expense of the Company, (ii) at any time discontinue any work commenced in respect of the Facility or change any course of action undertaken by the Bank and not be bound by any limitations or requirements of time whether set forth herein or otherwise, (iii) assume the Architect's Contract and the Construction Contract or any other contract made by the Company in any way relating to the Project and take over and use all or any part of the labor, materials, equipment, furniture, fixtures and articles of personal property contracted for by the Company, whether or not previously incorporated into the Facility, and (iv) in connection with any construction or equipping of the Facility undertaken by the Bank pursuant to the provisions hereof, (A) engage builders, contractors, architects, engineers, and others for the purpose of furnishing labor, materials, equipment, furniture, fixtures and articles of personal property in connection with the construction and equipping of the Project, (B) pay, settle or compromise all bills or claims which may become liens against the Mortgaged Facility, or any portion thereof, or which have been or may be incurred in any manner in connection with completing construction or equipping of the Facility or for the discharge of liens, encumbrances or defects in the title of the Mortgaged Facility, or any portion thereof, and (C) take or refrain from taking such action hereunder as the Bank may from time to time determine in its sole discretion. The Company shall be liable to the Bank for all sums paid or incurred pursuant to the provisions of this subsection (d) or otherwise, and all payments made or liabilities incurred by the Bank hereunder of any kind whatsoever shall be paid by the Company to the Bank upon demand with interest at five percent (5%) in excess of the rate at which interest accrues on the Bonds, or the maximum rate permitted by law, whichever is less, from the date of payment by the Bank to the date of payment to the Bank. For the purpose of exercising the rights granted by this subsection (d), the Company hereby irrevocably constitutes and appoints the Bank its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Company. The Bank shall have no obligation to complete the Facility, but if it does so the terms of this subsection (d) shall apply.

Section 6.04. Application of Monies. The Net Proceeds received by the Bank pursuant to any right given or action taken under the provisions of this Article VI shall, during the continuance of an Event of Default, be applied to the payment of the fees (including reasonable attorneys' fees) incurred by the Bank, late charges and expenses of the Bank and then to the payment of interest on the Bonds then due and payable and all other amounts due thereunder, and the balance thereof to be applied in reduction of principal then due and payable.

Section 6.05. Remedies Not Exclusive. No remedy conferred upon or reserved to the Bank by this Bond Purchase Agreement is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bank now or hereafter existing at law or in equity or by statute.

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

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

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

(b) No delay or omission of the Bank to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VI to the Bank may be exercised from time to time and as often as may be deemed necessary, expedient or desirable.

ARTICLE VII

MISCELLANEOUS

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

Section 7.02. Recording and Filing.

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

(b) The Bank shall cause to be filed all continuation statements under the Uniform Commercial Code of the State in such manner and in such places as may be required by law to protect and maintain in force all such security interests.

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

intended to be for the sole and exclusive benefit of the parties hereto and their successors and assigns as herein provided.

Section 7.04. Severability.

(a) If any provision of this Bond Purchase Agreement shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

(b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Bond Purchase Agreement shall not affect the remaining portion of this Bond Purchase Agreement or any part thereof.

Section 7.05. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be (a) delivered personally, or (b) sent by United States Postal Service prepaid, first-class mail, or by registered or certified mail, return receipt requested, or (c) sent overnight via substantial national delivery service, addressed as set forth immediately following this paragraph, or at such other addresses as the Issuer, the Company or the Bank shall otherwise have given notice as herein provided:

TO THE ISSUER:

The Genesee County Funding Corporation
99 Medtech Drive, Suite 106
Batavia, New York 14020
Attn: Executive Director

WITH A COPY TO:

Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Russell Gaenzle, Esq.

TO THE BANK:

Five Star Bank
100 Chestnut Street
Rochester, New York 14604
Attn: Thomas A. Halter, Vice President

WITH A COPY TO:

Phillips Lytle LLP
1400 First Federal Plaza
Rochester, New York 14614
Attn: Victoria L. Grady, Esq.

TO THE COMPANY:

Genesee Community College Foundation
Housing Services, Inc.
1 College Road
Batavia, New York 14020
Attn: President

WITH A COPY TO:

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202
Attn: Terrence M. Gilbride, Esq.

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

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

Section 7.06. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Any executed counterpart may be introduced into evidence in any action or proceeding without having to produce any of the other counterparts.

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

The Company will indemnify and hold the Bank and the Issuer harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Bond Purchase Agreement, the Bond or any document required hereunder, (b) any credit extended or committed by the Bank to the Company hereunder and under the Bonds, and (c) any litigation or proceeding related to or arising out of this Bond Purchase Agreement, the Bonds or any such document, or any such credit. This indemnity includes but is not limited to attorneys' fees (including the allocated cost of in-house counsel). This indemnity extends to the Bank, the Issuer, the Bank's parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the Bonds and of the Company's obligations to the Bank. All sums due to the Bank hereunder and under the Bonds shall be obligations of the Company, due and payable immediately without demand.

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

results in a higher permissible rate of interest, then this Bond Purchase Agreement shall be governed by such new law as of its effective date.

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

Section 7.10. No Recourse: Special Obligation of Issuer.

(a) All covenants, stipulations, promises, agreements and obligations (collectively, the "Obligations") of the Issuer contained in the Bond Documents or in any other instruments in connection therewith and any amendments or supplements thereto shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, servant or employee of the Issuer (collectively, the "Employee of the Issuer") in his individual capacity, and no recourse under or upon any Obligation in the Bond Documents contained or otherwise based upon or in respect of this Bond Purchase Agreement or the other Bond Documents, or for the Bonds, or for any claim based thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future Employee of the Issuer, as such, or of any successor public benefit corporation or political subdivision or any person executing any of the Bond Documents, either directly or through the Issuer or any successor public benefit corporation or political subdivision or any person so executing the Bonds or any other of such Bond Documents on behalf of the Issuer, it being expressly understood that the Bond Documents and the Bonds issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by any such Employee of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Bond Documents because of the creation of the indebtedness thereby authorized, or under or by reason of the Obligations contained in the Bond Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such Employee of the Issuer because of the creation of the indebtedness authorized by the Bond Documents, or under or by reason of the Obligations contained in any of the Bond Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Bond Documents and the issuance of the Bonds.

(b) The Obligations of the Issuer contained herein shall not constitute or give rise to an Obligation of the State of New York or Genesee County, New York, and neither the State of New York nor Genesee County, New York shall be liable thereon, and further such Obligations shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from this Bond Purchase Agreement and the Bonds.

(c) Notwithstanding any provision of this Bond Purchase Agreement to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (i) the Issuer shall have been requested to do so in writing by the Company or the Bank and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, officer, agent (other than the Company), servant or employee of the Issuer) of any

liability, fees, expenses or other costs, the Issuer shall have received from the party making such request security, or indemnity satisfactory to the Issuer for protection against all such liability and for the reimbursement of all such fees, expenses and other costs. The failure to provide such indemnity, however, shall not prevent the occurrence or continuance of an Event of Default hereunder or the full force and effect of any of the remedies or actions authorized hereunder to be taken by the Bank as a result of such Event of Default.

Section 7.11. Table of Contents and Section Headings not Controlling. The Table of Contents and the Headings of the several Articles and Sections of this Bond Purchase Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Bond Purchase Agreement.

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

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

Section 7.14. Access and Promotion. Permit Bank and its agents to have access to the Project at reasonable times; to permit Bank to maintain a sign located at the Mortgaged Facility and otherwise publicize Bank's role; and to name Bank as construction creditor in Company's publicity and promotion.

Section 7.15. Patriot Act. Federal law requires Bank to obtain certain information on its customers and/or borrowers. Bank may request from the Company documentation and/or information to comply with its obligations under the law. The Company agrees to provide Bank with the information requested by Bank to comply with the law.

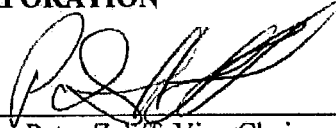
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[Signature page to Bond Purchase Agreement]

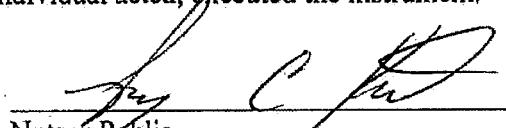
IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase Agreement to be executed in their respective names by their duly Authorized Representatives, and have caused this Bond Purchase Agreement to be dated as the date first set forth above.

THE GENESEE COUNTY FUNDING CORPORATION

By: 
Peter Zeliff, Vice Chairman

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

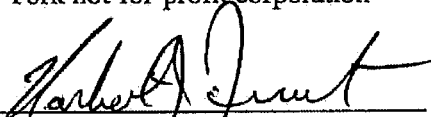
On the 26th day of June the year 2019 before me, the undersigned, personally appeared Peter Zeliff, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

Penny C Kennett
Notary Public - State of New York
Qualified In Genesee County
Reg #01KE3134587
My Commission Expires 10/3/21

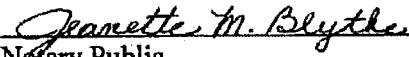
[Signature Page to Bond Purchase Agreement]

**GENESEE COMMUNITY COLLEGE
FOUNDATION HOUSING SERVICES, INC.**
a New York not-for-profit corporation

By: 
Norbert J. Fuest, President

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the 26th day of June the year 2019 before me, the undersigned, personally appeared Norbert J. Fuest, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

JEANETTE M. BLYTHE
Notary Public, State of New York
Qualified in Genesee County
Commission Expires January 17, 2022

[Signature Page to Bond Purchase Agreement]

FIVE STAR BANK

By: Thomas A. Halter vp
Thomas A. Halter, Vice President

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On the 25th day of June the year 2019 before me, the undersigned, personally appeared Thomas A. Halter, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Katelyn Doud
Notary Public

KATELYN DOUD
NOTARY PUBLIC OF NEW YORK STATE
Registration No. 01DO6344272
Qualified in Livingston County
Commission Expires June 27, 2020

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Batavia, County of Genesee and State of New York, being part of Great Lot 5 of Section 9 in Township 12, Range 1 of the Holland Land Purchase, being bounded and described as follows:

BEGINNING at a point in the centerline of Batavia-Stafford Town Line Road at the northeast corner of the aforementioned Great Lot 5;

Thence along said centerline of Batavia-Stafford Town Line Road and the easterly line of said Great Lot 5, South 01° 16' 47" West, a distance of 600.00 feet to a point;

Thence North 89° 26' 08" West, a distance of 203.00 feet to an iron pin. Said line passing through an iron pin located 33.00 feet westerly of the former centerline of said Batavia-Stafford Town Line Road;

Thence South 01° 16' 47" West, a distance of 379.36 feet to an iron rod;

Thence North 88° 15' 36" West, a distance of 229.99 feet to an iron pin;

Thence North 01° 16' 47" East, a distance of 974.64 feet to an iron rod located on the north line of the aforementioned Lot 5;

Thence South 89° 26' 08" East along said north line of Lot 5, a distance of 433.00 feet to the point and place of beginning. Said line passing through a concrete monument located 33.00 feet westerly of the centerline of the aforementioned Batavia-Stafford Town Line Road.

Containing 7.995 acres of land, more or less.

TOGETHER WITH AND SUBJECT TO a sewer line easement over the following described parcel:

ALL THAT TRACT OR PARCEL OF LAND being part of Lot 5, Section 9, Township 12, Range 1 situate in the Town of Batavia, County of Genesee and State of New York described as follows:

COMMENCING at the northeast corner of said Lot 5, also being in the centerline of Batavia-Stafford Townline Road; thence South 01° 16' 47" West along the centerline of Batavia-Stafford Townline Road for a distance of 600.00 feet to a P.K. nail; thence North 89° 26' 08" West for a distance of 303.16 feet to the point of beginning of the centerline of the 25 feet wide easement; thence

1) South 03° 44' 40" West for a distance of 374.59 feet to a manhole; thence

2) South 30° 08' 21" East for a distance of 73.60 feet to a manhole; thence

3) South 02° 13' 23" East for a distance of 634.69 feet to a manhole; thence

4) South 55° 40' 40" East for a distance of 217.06 feet to a manhole found at the beginning of the Town of Batavia Sanitary Sewer.

TOGETHER WITH the right of ingress and egress over and across such property insofar as such ingress and egress is necessary to the use granted herein pursuant to the terms and conditions set forth in an Agreement between Louis Viele, Inc. with Genesee Community College dated December 27, 1983 and recorded December 28, 1983 in the Genesee County Clerk's Office in Liber 74 of Miscellaneous Records at page 276.

TOGETHER WITH the benefits of a Waterline Easement Agreement made between Genesee Community College Foundation Housing Services, Inc. and The County of Genesee as holder in trust for Genesee Community College dated February 14, 2007 and recorded February 21, 2007 in Liber 855 of Deeds at page 984.

EXHIBIT B

LIEN LAW AFFIDAVIT

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

Norbert J. Fuest, being sworn says: I am the President of Genesee Community College Foundation Housing Services, Inc. (the "Company"), which is undertaking the construction and equipping of the Facility described in the foregoing building loan contract entitled Bond Purchase Agreement, Loan Agreement and Building Loan Contract, among The Genesee County Funding Corporation (the "Issuer"), the Company and Five Star Bank (the "Bank"). I am making and I do verify this affidavit in the name and behalf of the Company which is the borrower under said Bond Purchase Agreement, Loan Agreement and Building Loan Contract.

The Bond Proceeds are: \$4,680,000.

1. The Company has paid to the Bank as consideration for this loan evidenced by the Bonds (as defined by the foregoing building loan contract) the sum of \$19,500.

2. All expenses incurred, or to be incurred in connection with the Bonds to be advanced from the Building Loan advance of Bond Proceeds by the Bank are as follows:

Interest on Building Loan During Construction and Bank Fees	\$160,620.00
Construction Contingency	\$361,950.00
Architect/Engineering Fees	\$152,400.00
TOTAL	\$674,970.00

3. The Company is to be reimbursed from the net sum available for the improvement in connection with improvements made prior to the date of the first advance but subsequent to the commencement of the improvement in the amount of \$1,546,364.05.

The net sum available to the Issuer and the Company for the improvement is: \$2,053,633.95.

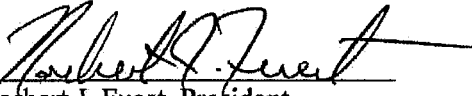
This statement is made for the purpose of complying with Lien Law Section 22. The facts herein stated are true to the knowledge of the deponent.

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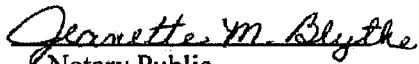
[Signature Page to Lien Law Affidavit]

The representations set forth herein are made with the understanding that the Issuer shall have no liability as the principal of the Company under the foregoing building loan contract to any third party.

**GENESEE COMMUNITY COLLEGE
FOUNDATION HOUSING SERVICES, INC.**
a New York not-for-profit corporation

By: 
Norbert J. Fuest, President

Sworn to before me this 26th
day of June, 2019.


Notary Public

JEANETTE M. BLYTHE
Notary Public, State of New York
Qualified in Genesee County
Commission Expires January 17, 2022

EXHIBIT C

BOND FORM

BOND
SERIES 2019

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

THE GENESEE COUNTY FUNDING CORPORATION
\$4,680,000 PRINCIPAL AMOUNT TAX-EXEMPT REVENUE
BOND (GENESEE COMMUNITY COLLEGE FOUNDATION
HOUSING SERVICES, INC. PROJECT), SERIES 2019 (THE
"BOND")

THE GENESEE COUNTY FUNDING CORPORATION, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Issuer"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and revenues as hereinafter provided, to the order of Five Star Bank, a banking corporation organized and existing under the laws of the State of New York (the "Holder" or the "Bank"), or its registered assigns, the principal sum of \$4,680,000, plus interest at a per annum rate as set forth herein.

Principal Amount: \$4,680,000

Dated Date: June 27, 2019

Maturity Date: August 31, 2040

Interest Rate: As set forth herein.

The following words and terms as used in this Bond shall have the following meanings (capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Bond Purchase Agreement (as defined below)):

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, Loan Agreement and Building Loan Contract by and among the Issuer, the Company and the Bank.

"Company" shall mean Genesee Community College Foundation Housing Services, Inc., a New York not-for-profit corporation.

“Conditions to Conversion” shall have the meaning set forth in the Bond Purchase Agreement.

“Construction Period” shall mean the period commencing on the date of this Bond and ending on the earlier of (i) the last day of the month in which the Bank confirms in its sole discretion that the Company has satisfied all Conditions to Conversion or (ii) August 31, 2020.

“Conversion Date” shall mean first day of the first month after the end of the Construction Period.

“Construction Rate” shall mean, a rate of interest per annum payable on this Bond equal to the LIBOR Rate, plus 250 basis points (2.50%), divided by the Tax Exempt Factor.

“Interest Rate” means the Construction Rate or Permanent Rate, as applicable.

“LIBOR Rate” shall mean the One Month London Inter-Bank Offered Rate as reported by the Intercontinental Exchange Benchmark Administration Ltd. (“ICE”), or the successor thereto if ICE is no longer making a London Inter-Bank Offered Rate available (“ICE LIBOR”) published by Bloomberg (or such other commercially available source providing quotations of ICE LIBOR) as of 11:00 a.m., London time, on the second London Banking Day before the Reset Date (the “Index”). London Banking Day means any day on which commercial banks are open for general business in London, England. The Index is not necessarily the lowest rate charged by Bank on its loans. Such adjustments shall become effective on the 5th day of each month (the “Reset Date”). If the 5th day of the month does not fall on a Business Day, the applicable Reset Date shall be the immediately following Business Day. If the LIBOR Rate becomes unavailable during the term of this loan, the “LIBOR Rate” shall mean the replacement benchmark rate (upon any future phasing out of the LIBOR Rate) as designated by the Alternative Reference Rates Committee (the “ARRC”), as more particularly described in the *ARCC Recommendations Regarding More Robust Fallback Language for New Issuances of LIBOR Floating Rate Notes* dated April 25, 2019, and consistent with the Interest Rate Swap Agreement.

“Permanent Period” shall mean the period of time commencing on the Conversion Date and ending on the Maturity Date.

“Permanent Rate” shall mean a rate of interest per annum payable on the Bond equal to the LIBOR Rate plus 250 basis points (2.50%) divided by the Tax Exempt Factor which is subject to an Interest Rate Swap Master Agreement and Schedule to be entered into by the Company on or before the Conversion Date.

“Tax Exempt Factor” shall mean 1.275 or such other number as determined by the Bank from time to time in accordance with the Bank’s standard practice for pricing tax-exempt facilities. The Tax-Exempt Factor shall only be applicable to the calculation of the Construction Rate and/or the Permanent Rate for so long as the Bonds remain bank qualified income tax-exempt.

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

During the Construction Period, interest on this Bond shall accrue at the Construction Rate. During the Permanent Period, interest on this Bond shall accrue at the Permanent Rate. Interest shall accrue until the date of receipt of payment.

During the Construction Period, interest only shall be paid in monthly installments commencing on August 5, 2019 and on the fifth calendar day of each month thereafter (a "Payment Date"). On the first Payment Date of the Permanent Period and on each Payment Date thereafter, principal plus interest payments based on a twenty (20) year amortization shall be paid in monthly installments through and including the Maturity Date, when the entire unpaid principal balance hereof and all accrued and unpaid interest hereon shall be due and payable. All payments shall be applied first to the payment of interest in arrears and then to the payment of principal. The Bank shall provide an amortization schedule to the Company on the Conversion Date and shall invoice the Company on a monthly basis.

OPTIONAL REDEMPTION WITHOUT PREMIUM

During the Construction Period, this Bond may be prepaid and subject to redemption in whole or in part without premium at the option of the Company upon prior written notice to the Bank on any Payment Date together with all accrued interest as of the redemption date.

OPTIONAL REDEMPTION WITH PREMIUM

During the Permanent Period, this Bond may be prepaid and subject to redemption in whole or in part at the option of the Company upon thirty (30) days prior written notice to the Bank on any Payment Date together with all accrued interest as of the redemption date and together with a prepayment premium of one percent (1%) of the amount prepaid (the "Premium") provided the Premium shall be waived if such prepayment is made (i) with internally generated funds of the Company, or (ii) after August 31, 2030.

MANDATORY REDEMPTION

This Bond shall be subject to mandatory prepayment and redemption in whole or in part, without payment of the Premium, on any Business Day, in an amount equal to (i) the amount, if any, by which the Bond Proceeds advanced to the Construction Escrow Account exceed the amount required to pay the Costs of the Facility advanced pursuant to Section 4.02 of the Bond Purchase Agreement; (ii) the amounts received from or on behalf of contractors or subcontractors, as provided in Section 5.02(d) of the Bond Purchase Agreement (except to the extent that the Company is entitled to reimbursement from such Net Proceeds for certain

expenses); (iii) the amount, if any, by which the Net Proceeds of any insurance or any condemnation award with respect to the Mortgaged Facility exceed the cost of repairing or restoring the Mortgaged Facility, as provided in the Bond Purchase Agreement; or (iv) the amount, if any, of the Net Proceeds of title insurance covering the Mortgaged Facility. In addition, accrued interest to the date of such prepayment shall be paid on the amount of such prepayment.

This Bond shall be subject to mandatory prepayment and redemption in whole at the option of the Bank, subject to payment of the Premium, (i) if the Conditions to Conversion have not been satisfied by the Conversion Date, (ii) if the Interest Rate Swap Agreement has not been executed and delivered to the Bank by the Conversion Date, (iii) upon an Event of Default under the Bond Purchase Agreement or (iv) upon an Event of Taxability.

During the Permanent Period, redemption or prepayment of this Bond, in whole or in part, whether voluntary or involuntary, will be subject to payment by Company to the Bank of all amounts as set forth in Section 5.02 of the Bond Purchase Agreement.

INCREASE IN INTEREST RATE IF AN EVENT OF TAXABILITY OCCURS

If there shall occur an Event of Taxability and the Bank has not exercised its option to redeem this Bond, the rate of interest on this Bond shall be adjusted, to the extent permitted by law, to the Taxable Rate (as hereinafter defined) commencing with the first day of the calendar month immediately succeeding the calendar month in which notification is given by the Holder to the Issuer that an Event of Taxability has occurred. In addition, there shall be paid to the Holder or former Holders of this Bond upon demand by any such Holder or former Holders therefor (i) an amount equal to (A) the aggregate amount which would have been payable as interest on this Bond if interest on this Bond had accrued at the Taxable Rate during the period commencing with the Tax Incidence Date (as hereinafter defined) and ending on the earlier of (1) the maturity of this Bond or (2) the date of payment of the amount described in this clause (i), less (B) the amount of the interest on this Bond previously received by the Holder or former Holders of this Bond for such period; and (ii) there shall be paid to the Holder or former Holders of this Bond upon demand by any such Holder or former Holders of this Bond any Additions to Tax (as hereinafter defined) paid or payable by any such Holder or former Holders as a consequence of the failure of such Holder or former Holders to include the interest on or any amount in respect of interest on this Bond held by such Holder or former Holder as gross income in its Federal tax return for any relevant period.

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

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

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

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

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

“Taxable Rate” means the otherwise then applicable Interest Rate, without regard to or discount from the Tax Exempt Factor.

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

LATE PAYMENT FEE IN EVENT OF LATE PAYMENT

In the event that the Holder has not received an interest or principal payment payable under this Bond (including a payment resulting from a prepayment of this Bond) on or before the tenth (10th) day after such payment is due, then there shall be a late penalty fee to the Issuer equal to five percent (5%) monthly of any such unpaid payment.

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

Payment of the principal of this Bond, including any amounts prepaid, and interest thereon, shall be made at the office of Five Star Bank, 55 North Main Street, Warsaw, New York 14569, or at such other place as the Holder, or its registered assigns, from time to time, have designated in writing sent to the Issuer and the Company by certified or registered mail, return

receipt requested. The principal of and interest on this Bond are payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond constitutes the authorized issue of bonds in the principal amount of \$4,680,000, authorized by a bond resolution, duly adopted by the Issuer on April 23, 2019, (the "Bond Resolution") and is issued in accordance with a Bond Purchase Agreement, Loan Agreement and Building Loan Contract, dated as of June 1, 2019 (the "Bond Purchase Agreement"), by and among the Issuer, the Company and the Bank for the purposes of financing a certain project (the "Project"). The Project consists of: (1)(a) the renovation of five (5) existing dormitory buildings, containing in the aggregate approximately 51,744 square feet and containing approximately fifty (50) living units which house approximately 217 students, located at 8170 Batavia-Stafford Townline Road, Town of Batavia, Genesee County, New York, as more particularly described in the Mortgage (as defined below) (the "Land") including but not limited to, technology and safety upgrades and improvements, suite renovations, amenity renovations and renovations to address disability access, and (b) the construction of approximately 864 new feet of space on the Land to be used for building access (collectively the "Improvements"); (2) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and together with the Land and the Improvements, the "Facility"); and (3) the paying of all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds, capitalized interest and any reserve funds as may be necessary to secure the Bonds (the costs associated with items (1) through (3) above being hereinafter collectively referred to as the "Project Costs" or "Costs of the Facility");

As security for this Bond, (i) the Company has granted to the Issuer and the Bank, a mortgage lien on and security interest in the Mortgaged Facility (as defined in the Bond Purchase Agreement) pursuant to a certain Mortgage and Security Agreement, dated as of June 1, 2019, from the Company to the Issuer and the Bank (the "Mortgage"); (ii) the Issuer has assigned all of its rights and interest in and to the Mortgage to the Bank pursuant to a certain Assignment of Mortgage, dated as of June 1, 2019, from the Issuer to the Bank (the "Assignment of Mortgage"); (iii) the Company has assigned to the Bank its right, title and interest in and to certain construction and related documents pursuant to a certain Assignment of Permits and Contracts, dated as of June 1, 2019, from the Company to the Bank (the "Assignment of Permits and Contracts"); (iv) the Company has assigned to the Bank all of its rights, title and interest in and to any leases with respect to the Mortgaged Facility pursuant to a certain Assignment of Leases, Rents and Profits, dated as of June 1, 2019 (the "Assignment of Leases and Rents") and (v) the Company has granted a security interest to the Bank in and to all equipment and fixtures located at the Mortgaged Facility pursuant to a certain Security Agreement dated as of June 1, 2019, from the Company to the Bank ("Security Agreement"); and

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

The Issuer and the Company have entered into a certain Tax Compliance Agreement (the "Tax Compliance Agreement"), dated June 27, 2019, pursuant to which the Issuer and the Company, for the benefit of the Holders from time to time of the Bond, have made certain representations and covenants, established certain conditions and limitations and made certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and the regulations and rulings of the United States Treasury Department promulgated thereunder (collectively, the "Code") in order to ensure that the interest accruing on this Bond is and remains excluded from gross income for Federal income tax purposes.

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

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

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

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

This Bond shall be transferable only upon the books of the Issuer at the office of the Bank, as bond registrar (the "Bond Registrar") located, on the date hereof, at 55 North Main Street, Warsaw, New York 14569 by the Holder in person or by his attorney duly authorized in writing, upon surrender thereof together with (i) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the Holder or such duly authorized attorney, (ii) the execution and delivery to the Bond Registrar by the Holder or his duly authorized attorney of instruments of assignment and transfer of the Mortgage to the transferee of the Bond, (iii) if requested by the Issuer or the Company, the delivery to the Issuer and the Company (at the sole expense of the Company) of an opinion of Bond Counsel that such transfer does not and will not require registration of the Bond under any securities laws, (iv) the delivery to the Issuer by the Holder of a certificate signed by the proposed transferee to the effect that such proposed transferee has been provided with all requested disclosure information by the Company, and (v) payment of all sums due the Holder under the Bond Documents. No such transfer of this Bond shall be valid unless made on such books and similarly noted by endorsement of the Bank on such Bond, or unless, at the expense of the Company, the Issuer shall execute and deliver a new Bond registered in the name of the transferee.

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

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

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

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

IN WITNESS WHEREOF, THE GENESEE COUNTY FUNDING CORPORATION has caused this Bond to be executed in its name by the manual signature of its Vice Chairman, its corporate seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon.

THE GENESEE COUNTY FUNDING
CORPORATION

By: _____
Peter Zeliff, Vice Chairman

(Form of Assignment)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (please print or typewrite name and address of transferee) _____ the within bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

EXHIBIT D

FORM OF REQUISITION FOR PAYMENT AND DISBURSEMENT

To: Five Star Bank

**Re: The Genesee County Funding Corporation [\$4,680,000] Tax Exempt
Revenue Bonds (Genesee Community College Foundation Housing Services,
Inc.), Series 2019**

Requisition Number: ____

Date: _____

Gentlemen:

You are hereby authorized and directed to make the following advances of Bond Proceeds or disbursements from the Construction Escrow Account in accordance with Section 4.02 of that certain Bond Purchase Agreement, Loan Agreement and Building Loan Contract, dated as of _____ 1, 2019 (the "Bond Purchase Agreement"), by and between The Genesee County Funding Corporation (the "Issuer"), Five Star Bank (the "Bank") and Genesee Community College Foundation Housing Services, Inc. (the "Company").

(i) Payee: Genesee Community College Foundation Housing Services, Inc.

(ii) General classification of the expenditure:

- | | | |
|----|---|----------|
| 1. | Architect's, Engineer's and similar fees: | \$ _____ |
| 2. | Broker's fees and costs of constructing the Facility: | \$ _____ |
| | a. Broker's Fees: | \$ _____ |
| | b. Sitework Construction: | \$ _____ |
| | c. Miscellaneous Construction: | \$ _____ |
| 3. | Fees and other expenses for recording and filing: | \$ _____ |
| 4. | Fees or expenses relating to actions to protect the Bank's security interest in the Mortgaged Facility: | \$ _____ |

- | | | |
|-----|--|----------|
| 5. | Insurance premiums: | \$ _____ |
| 6. | Legal, accounting, investment
banking, etc. fees: | \$ _____ |
| | a. Company Counsel: | \$ _____ |
| | b. Bank Counsel: | \$ _____ |
| | c. Issuer Counsel: | \$ _____ |
| | d. Bond Counsel: | \$ _____ |
| | e. Commitment Fee: | \$ _____ |
| 7. | Administrative fee of the Issuer: | \$ _____ |
| 8. | Taxes paid during installation: | \$ _____ |
| 9. | Title insurance and surveying fees: | \$ _____ |
| 10. | Reimbursement for payment by the
Company of items in 1-9 above: | \$ _____ |

With respect to the obligation(s) referred to above, the undersigned, an Authorized Representative of the Company, hereby certifies that to his knowledge:

- (A) items (i) and (ii) have been completed correctly and accurately;
- (B) the disbursement hereby requested is for a proper expenditure of Bond Proceeds pursuant to the Bond Purchase Agreement;
- (C) with respect to items covered in this requisition, the undersigned has no knowledge of any vendors', mechanics' or other liens, bailment leases, conditional sale contracts, security interests or laborers' claims which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment;
- (D) none of the items for which this requisition is made has been the basis for any prior disbursement of Bond Proceeds;
- (E) all Persons furnishing materials to, or performing work on, the Facility have been paid to date or will be fully paid to date from the proceeds of this requisition.
- (F) the undisbursed Bond Proceeds in the Construction Escrow Account are sufficient to complete the construction and equipping of the Facility in accordance with the Plans and Specifications.
- (G) the amount hereby requested has been paid or is to be paid or shall be paid from the monies requested and that insofar as the payment is for work, materials, supplies, or

equipment, the work has been performed and the materials, supplies or equipment have been installed in the Facility or have been delivered either at the Facility or at a proper place for fabrication and are covered by adequate insurance.

(H) there exists no Event of Default under any of the Bond Documents.

[The Balance of This Page Intentionally Left Blank]

[Signature Page to Requisition for Payment and Disbursement]

The capitalized terms herein, unless otherwise defined, will have the meaning provided in the Bond Purchase Agreement.

**GENESEE COMMUNITY COLLEGE
FOUNDATION HOUSING SERVICES, INC.**
a New York not-for-profit corporation

By: _____
Name: _____
Title: _____

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

To: Five Star Bank

Re: The Genesee County Funding Corporation \$4,680,000 Tax Exempt Revenue Bonds (Genesee Community College Foundation Housing Services, Inc.), Series 2019

This Covenant Compliance Certificate is furnished pursuant to that certain Bond Purchase Agreement, Loan Agreement and Building Loan Contract dated as of June 1, 2019 (the "Bond Purchase Agreement") by and among Genesee Community College Foundation Housing Services, Inc. (the "Company"), The Genesee County Funding Corporation (the "Issuer") and Five Star Bank (the "Bank"), as may be amended, modified, renewed or extended from time to time.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. For the testing date of _____, 20__ the Company has maintained a Debt Service Coverage Ratio (as defined in the Bond Purchase Agreement) of [1.00 to 1.00] [1.10 to 1.00] as required by Section 2.04(f) of the Bond Purchase Agreement.
2. Attached hereto is financial information and/or status (collectively, the "Financial Statements") substantiating the Debt Service Coverage Ratio requirement set forth in paragraph 1 above.

The foregoing certifications, together with the Financial Statements delivered with this Compliance Certificate in support hereof, are made and delivered this ____ day of _____, 20__ with the intent the Bank rely thereon. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Bond Purchase Agreement

(Signature Page Follows)

[Signature Page to Covenant Compliance Certificate]

GENESEE COMMUNITY COLLEGE
FOUNDATION HOUSING SERVICES, INC.
a New York not-for-profit corporation

By: _____

Name: _____

Title: _____