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CLOSING MEMORANDUM

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OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(A) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017A IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,550,000;  
(B) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017B IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$500,000; AND  
(C) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017C IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,450,000

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Date and Time of Pre-Closing:	March 24, 2017 10:00 o'clock, a.m., local time
Place of Pre-Closing:	Hodgson Russ LLP 677 Broadway, Suite 301 Albany, New York 12207
Date of Closing:	March 27, 2017
Method of Closing:	Via wire transfer subsequent to telephonic conference call to effectuate the release of the Series 2017 Bonds.

I. BACKGROUND

On September 24, 2010, Otsego County Capital Resource Corporation (the "Issuer"), entered into a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the "Bank") and Springbrook NY, Inc. (the "Institution"), pursuant to which the Issuer sold to the Bank the Issuer's Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the original aggregate principal amount of up to \$25,200,000 (the "Initial Bonds") for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following:

(A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the “Initial Land”), together with the existing building located thereon containing approximately 55,000 square feet of space (the “Existing Facility”), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the “Addition”), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the “New Facility”) (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the “Initial Facility”), (5) the acquisition and installation of various machinery and equipment therein and thereon (the “Initial Equipment”) (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Institution pursuant to the terms of a loan agreement dated as of September 1, 2010 (the “Initial Loan Agreement”).

The Initial Bonds were issued on September 24, 2010 under a resolution adopted by the directors of the Issuer on September 2, 2010 (the “Initial Bond Resolution”) and a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and the Trustee for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture, including the hereinafter defined Series 2012A Bonds and the Series 2017 Bonds (the “Additional Bonds,” and collectively with the Initial Bonds, the “Bonds”).

Simultaneously with the issuance of the Initial Bonds, the Institution, the Bank, Upstate Home for Children Foundation, Inc. (the “Guarantor”) and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the “Initial Financing Documents”).

As security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the “Initial Pledge and Assignment”) from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer’s rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Institution under the Initial Loan Agreement are to be paid directly to the Trustee, except during the Bank Purchase Rate Period.

As additional security for the Institution’s obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Institution executed and delivered to the Bank and the Issuer a mortgage dated as of September 1, 2010 (the “Mortgage”) from the Institution to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility, and the Issuer has assigned its interest in the Mortgage to the Bank, and as security for the Initial Bond Purchase Agreement, a security agreement dated as of September 1, 2010 (the “Security Agreement”) from the Institution to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment.

On July 25, 2012, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal amount of \$2,500,000 (the "Series 2012A Bonds") under a resolution adopted by the directors of the Issuer on March 22, 2012 (the "Series 2012A Bond Resolution") and a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee and pursuant to the terms of a supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 (the "Supplement," and together with the Initial Bond Purchase Agreement, being collectively referred to as the "2012A Bond Purchase Agreement") by and between the Bank and the Institution.

The Series 2012A Bonds were issued for the purpose of financing a portion of the costs of undertaking a project (the "Series 2012A Project") consisting of the following: (A) the acquisition of a 13.9 +/- acre parcel of land located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York (the "Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Facility" and together with the Land, being collectively referred to as the "Series 2012A Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2012A Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2012A Bonds, including issuance costs of the Series 2012A Bonds and any reserve funds as may be necessary to secure Series 2012A Bonds; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Series 2012A Bonds by the Issuer to the Institution.

In connection with the issuance of the Series 2012A Bonds, the Issuer executed and delivered (A) an amendment to the loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") by and between the Issuer and the Institution, with the consent of the Trustee, and (B) an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment") from the Issuer to the Trustee.

As security for the for the Institution's obligations under the Initial Bond Purchase Agreement and the 2012A Bond Purchase Agreement, the Institution executed and delivered an Amended and Restated Security Agreement dated as of July 1, 2012 (the "Amended and Restated Security Agreement") from the Institution to the Bank.

In March, 2016, the Institution presented an additional application (the "Initial Series 2017 Application") to the Issuer, which Initial Series 2017 Application requested that the Issuer consider undertaking a project (the "Initial Series 2017 Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Institution's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Initial Series 2017 Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the hereinafter defined Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various

existing buildings and facilities (collectively, the “Oneonta Existing Facility”), (3) the expansion and the making of improvements to the network infrastructure (collectively, the “Initial Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Initial Series 2017 Facility”) and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Initial Series 2017 Equipment”) (the Initial Series 2017 Land, the Initial Series 2017 Facility, the Initial Improvements, and the Initial Series 2017 Equipment being collectively referred to as the “Initial Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Series 2017 Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Initial Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Initial Series 2017 Obligations, including issuance costs of the Initial Series 2017 Obligations and any reserve funds as may be necessary to secure the Initial Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Initial Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.

Pursuant to the authorization contained in the resolution adopted by the directors of the Issuer on March 3, 2016 (the “Series 2017 Public Hearing Resolution”), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the “Series 2017 Public Hearing”) in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Series 2017 Project and the financial assistance being contemplated by the Issuer with respect to the Initial Series 2017 Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Series 2017 Project Facility is to be located, (B) caused notice of the Series 2017 Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Series 2017 Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of the Town of Oneonta, Otsego County, New York, (D) conducted the Series 2017 Public Hearing on May 10, 2016 at 4:00 o’clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Series 2017 Public Hearing (the “Series 2017 Report”) which fairly summarized the views presented at the Series 2017 Public Hearing and distributed same to the directors of the Issuer and to the Board of Representatives of Otsego County, New York (the “Board of Representatives”).

Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the directors of the Issuer on July 28, 2016 (the “SEQR Resolution”), the Agency (1) determined that the Initial Series 2017 Project constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project.

By resolution dated June 1, 2016 (the “Series 2017 Public Approval”), the Board of Representatives approved the issuance of the Series 2017 Obligations for purposes of Section 147(f) of the Code.

By resolution dated February 23, 2017, the Issuer approved the final form of the Initial Series 2017 Project description in an amended application (collectively with the Initial Series 2017 Application, the “Series 2017 Application”) consisting of the following (the “Series 2017 Project”): (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Series 2017 Obligations, including issuance costs of the Series 2017 Obligations and any reserve funds as may be necessary to secure the Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.

The Issuer will now issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) for the purpose of financing a portion of the costs of the Series 2017 Project, which Series 2017 Bonds are to be issued under a resolution adopted by the directors of the Issuer on July 28, 2016 (the “Series 2017 Bond Resolution”) and a supplemental trust indenture dated as of March 1, 2017 (the “Series 2017 Supplemental Indenture,” and collectively with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, the “Indenture”) by and between the Issuer and the Trustee.

The Series 2017 Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2017 Bonds as initially issued will be the Bank Purchase Rate as determined by the Bank, as the administrative agent (the “Agent”) for the initial purchaser of the Series 2017 Bonds pursuant to the terms of the Indenture and a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and among the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and the Agent.

Prior to or simultaneously with the issuance of the Series 2017 Bonds, the Issuer will execute and deliver an amendment to the loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and collectively with the Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, the “Loan Agreement”) by and between the Issuer and the Institution, with the consent of the Trustee, and certain other documents related to the Series 2017 Project and to the

Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Series 2017 Financing Documents”).

Pursuant to the terms of the Loan Agreement, (A) the Institution will agree, among other things, (1) to cause the Series 2017 Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2017 Bonds to the Institution.

As security for the Series 2017 Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and collectively with the Initial Pledge and Assignment, as amended by the Series 2012A Amendment to Pledge and Assignment, the “Pledge and Assignment”) from the Issuer to the Trustee.

As additional security for the Institution’s obligations under the Continuing Covenants Agreement and the Loan Agreement, the Institution will execute and deliver to the Agent and the Issuer a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution and the Agent, which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”).

As additional security for the Institution’s obligations under the Continuing Covenants Agreement, the Institution will execute and deliver to the Agent a certain security agreement, dated as of March 1, 2017 (the “Series 2017 Security Agreement”) by and between the Institution and the Agent, which grants to the Agent a security interest in, among other things, certain personal property of the Institution.

The Institution's obligation (A)(1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Continuing Covenants Agreement, and (B) the Issuer’s obligation to repay the Series 2017 Bonds will be further secured by a certain guaranty dated as of March 1, 2017 (the “Series 2017 Guaranty of Foundation”) from the Guarantor to the Holder.

To demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the “Series 2017 Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Series 2017 Information Return with the Internal Revenue Service, (B) the Institution will execute a tax regulatory agreement dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Tax Regulatory Agreement”) relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Holder will execute a letter (the “Issue Price Letter”) confirming the issue price of the Series 2017 Bonds for purposes of Section 148 of the Code.

Among the actions taken by the Issuer in respect of the issuance of the Series 2017 Bonds prior to the closing date were the following:

March 2016	The Institution filed the Application relating to the Series 2017 Project with the Issuer.
March 3, 2016	The Issuer adopted the Series 2017 Public Hearing Resolution.

April 21, 2016	Notice of the Series 2017 Public Hearing was mailed to the chief executive officers of the affected tax jurisdictions.
April 23, 2016	Notice of the Series 2017 Public Hearing was published.
May 10, 2016	The Issuer conducted the Series 2017 Public Hearing.
June 1, 2016	The Board of Representatives adopted the Series 2017 Public Approval.
July 28, 2016	The Issuer adopted the Series 2017 SEQOR Resolution.
July 28, 2016	The Issuer adopted the Series 2017 Bond Resolution.
February 23, 2017	The Issuer adopted the resolution approving the final form of the Series 2017 Project.

## II. PARTIES REPRESENTED AT CLOSING

ISSUER:	(I)
Devin Morgan, Chairman Joseph A. Bernier, Secretary Sandy Mathes, Chief Executive Officer Elizabeth Horvath, Chief Operating Officer Otsego County Capital Resource Corporation	
ISSUER COUNSEL:	(IC)
Kurt D. Schulte, Esq. Law Offices of Kurt D. Schulte	
BOND COUNSEL:	(HR)
A. Joseph Scott, III, Esq. Michael T. Logan, Esq. Hodgson Russ LLP	
INSTITUTION:	(C)
Patricia Kennedy, CEO Wade Herman, Assistant Director of Finance Springbrook NY, Inc.	
INSTITUTION'S COUNSEL:	(CC)
Sarah Lewis Belcher, Esq. Bond, Schoeneck & King, PLLC	
GUARANTOR:	(G)
Patricia Kennedy, CEO Wade Herman, Assistant Director of Finance Upstate Home for Children Foundation, Inc.	
GUARANTOR'S COUNSEL:	(GC)
Sarah Lewis Belcher, Esq. Bond, Schoeneck & King, PLLC	

HOLDER:	(H)
Patrick Szalach, Senior Vice President Citizens Funding Corp.	
AGENT:	(B)
Patrick Szalach, Senior Vice President Citizens Bank, N.A.	
AGENT'S COUNSEL:	(BC)
Jean S. Everett, Esq. Amanda Mirabito, Esq. Barclay Damon, LLP	
TRUSTEE:	(T)
Maureen A. Auld, Assistant Vice President Manufacturers and Traders Trust Company	
TRUSTEE'S COUNSEL:	(TC)
Christopher A. Andreucci, Partner Harris Beach PLLC	
TITLE INSURER:	(TI)
Stewart Title Insurance Company	

### III. ACTION TO BE TAKEN AT CLOSING

The following documents, or copies thereof, are to be delivered (except as indicated) to the Issuer, Issuer's Counsel, the Institution, Institution's Counsel, the Trustee, Trustee's Counsel, the Agent, Agent's Counsel and Bond Counsel as follows:

	<u>Production Respons.</u>	<u>Execution Respons.</u>
A. <u>Basic Instruments:</u>		
1. Continuing Covenants Agreement.	BC	I,C,B
2. Series 2017 Supplemental Indenture.	HR	I,T,C
3. Specimen Series 2017 Bonds.	--	--
A. Series 2017A Bond.	HR	I,T
B. Series 2017B Bond.	HR	I,T
C. Series 2017C Bond.	HR	I,T
4. Series 2017 Amendment to Loan Agreement.	HR	I,C,T
5. Series 2017 Amendment to Pledge and Assignment, with acknowledgement thereof by Institution.	HR	I,T,C



	<u>Production Respons.</u>	<u>Execution Respons.</u>
6. Series 2017 Mortgage.	BC	C,I,B
7. Series 2017 Mortgage Assignment.	BC, HR	I
8. Series 2017 Security Agreement.	BC	C,B
9. Series 2017 Guaranty of Foundation.	BC	G
10. Series 2017 Building Loan Agreement.	BC	C,B
11. UCC -1 Financing Statements relating to the Property pledged by the Issuer to the Trustee pursuant to the Indenture.	HR	--
12. UCC-1 Financing Statements relating to Property pledged by the Issuer to the Trustee pursuant to the Pledge and Assignment.	HR	--
13. UCC-1 Financing Statements relating to Property pledged by the Institution to the Issuer and the Agent pursuant to the Series 2017 Mortgage, as assigned to the Agent.	BC	--
14. UCC-1 Financing Statements relating to Property pledged by the Institution to the Agent pursuant to the Series 2017 Security Agreement.	BC	--
15. Closing Receipt.	HR	I,C,T,B
<b>B. <u>Items To Be Delivered By The Issuer:</u></b>		
1. General Certificate of the Issuer regarding incumbency and signatures of officers, execution and delivery of the Series 2017 Bonds and the other Series 2017 Financing Documents to be executed by the Issuer (the "Issuer Documents"), no litigation and continued existence, with the following items included as exhibits:	HR	I
Exhibit A Sponsor Resolution;	HR	I
Exhibit B - Certificate of Incorporation of the Issuer, certified by the New York State Department of State;	HR	--
Exhibit C - By-Laws of the Issuer;	HR	--
Exhibit D - Certificate of Good Standing relating to the Issuer from the New York State Department of State;	HR	--
Exhibit E - Series 2017 Public Hearing Resolution;	HR	I

	<u>Production Respons.</u>	<u>Execution Respons.</u>
Exhibit F - Proof of the mailing of the Notice of Public Hearing to the chief executive officers of the affected tax jurisdictions;	I	--
Exhibit G - Proof of publication and posting of notice of the Public Hearing (the "Notice of Public Hearing");	I	--
Exhibit H - Series 2017 Report;	I	--
Exhibit I - SEQR Resolution;	HR	I
Exhibit J - Series 2017 Public Approval; and	HR	Board of Representative
Exhibit K - Series 2017 Bond Resolution.	HR	I
2. Certificate Regarding No Conflicts of Interest.	HR	I
3. Affidavit Regarding Mortgage Recording Tax.	HR	I
4. Series 2017 Arbitrage Certificate.	HR	I
5. Series 2017 Information Return.	HR	I
6. Proof of Mailing of the Series 2017 Information Return to the Internal Revenue Service.	HR	HR
7. Request and Authorization to the Trustee to authenticate and deliver the Series 2017 Bonds.	HR	I
8. Bond Counsel Disclosure Certificate.	HR	HR
<b>C. <u>Items To Be Delivered By The Institution:</u></b>		
1. General Certificate of the Institution regarding incumbency and signatures of officers, execution of the Series 2017 Amendment to Loan Agreement and other Series 2017 Financing Documents to be executed by the Institution (the "Institution Documents"), no litigation and continued existence, with the following items included as exhibits:	HR	C,CC
Exhibit A - Certificate of Incorporation of the Institution, certified by the New York State Department of State;	CC	--
Exhibit B - By-Laws of the Institution;	CC	--
Exhibit C - Certificate of Good Standing relating to the Institution from the New York State Department of State;	CC	C

	<u>Production Respons.</u>	<u>Execution Respons.</u>
Exhibit D - 501(c)(3) Determination Letter relating to the Institution from the Internal Revenue Service;	CC	--
Exhibit E - Resolution of the Board of Directors of the Institution approving and authorizing the execution and delivery of the Institution Documents; and	CC	C
Exhibit F - Pending Litigation relating to the Institution or the Project.	CC	--
2. Series 2017 Tax Regulatory Agreement.	HR,CC	C
3. Title Insurance Policy relating to the Series 2017 Mortgage.	TI, CC	TI
4. UCC-11 Financing Statement searches from the office of the County Clerk of Otsego County, New York and the office of the New York State Department of State, Uniform Commercial Code Unit.	CC	C
5. Letter from the Institution regarding compliance with the insurance provisions of the Loan Agreement, with certificates (and policies, if available) of casualty, liability, workers' compensation and other required insurance attached.	CC	C
6. Initial Requisition.	CC	C,B
7. Survey showing the Land.	CC	--
8. Environmental Indemnity.	BC	C
9. Assignment of Construction Documents with consents of Construction Manager and Contractor.	BC	C
10. UCC-1 Financing Statements relating to the Assignment of the Construction Documents.	BC	C
<b>D. <u>Items to Be Delivered By the Guarantor:</u></b>		
1. General Certificate of the Guarantor regarding incumbency and signatures of officers, execution of any documents to be executed by the Guarantor, no litigation and continued existence, with the following items included as exhibits:	HR	G
Exhibit A - Certificate of Incorporation of the Guarantor, certified by the New York State Department of State;	CC	--
Exhibit B - By-Laws of the Guarantor;	CC	--

	<u>Production Respons.</u>	<u>Execution Respons.</u>
Exhibit C - Certificate of Good Standing relating to the Guarantor from the New York State Department of State;	CC	C
Exhibit D - 501(c)(3) Determination Letter relating to the Guarantor from the Internal Revenue Service;	CC	--
Exhibit E - Resolution of the Board of Directors of the Guarantor approving and authorizing the execution and delivery of any documents executed by the Guarantor; and	CC	C
Exhibit F - Pending Litigation relating to the Guarantor or the Project.	CC	--
<b>E. <u>Items To Be Delivered By The Trustee:</u></b>		
1. General Certificate of the Trustee, with attached incumbency certificate.	HR	T
2. Depository Letter.	HR	C
3. Fee Letter.	TC	C,B
<b>F. <u>Items To Be Delivered By the Agent:</u></b>		
1. General Certificate of the Agent.	HR	B
<b>G. <u>Items To Be Delivered By the Holder:</u></b>		
1. General Certificate of the Holder.	HR	H
2. Investment Letter.	HR	H
3. Issue Price Letter.	HR	H
<b>H. <u>Opinions of Counsel:</u></b>		
1. Opinion of Kurt D. Schulte, counsel to the Issuer, addressed to the Issuer, the Institution, the Trustee, the Holder, and the Agent.	HR	IC
2. Opinion of Bond, Schoeneck & King, PLLC, counsel to the Institution, addressed to the Trustee, the Issuer, the Agent, and the Institution.	HR, CC	CC
3. Opinion of Harris Beach PLLC, counsel to the Trustee, addressed to the Issuer and the Trustee.	HR, TC	TC
4. Opinion of Hodgson Russ LLP, Bond Counsel, addressed to the Issuer.	HR	HR

	<u>Production Respons.</u>	<u>Execution Respons.</u>
5. Reliance Letter of Bond Counsel, addressed to the Institution, the Trustee, the Holder, and the Agent.	HR	HR

IV. ACTION TO BE REQUIRED CONCURRENTLY WITH  
OR AFTER CLOSING

1. The Series 2017 Mortgage and Series 2017 Mortgage Assignment are to be recorded by the Title Insurer in the office of the County Clerk of Otsego County, New York.
2. The Series 2017 Building Loan Agreement is to be filed as a building loan agreement in the office of the County Clerk of Otsego County, New York
3. The financing statements are to be filed by the Title Insurer (the "UCC Filer") in the office of the New York State Department of State, Uniform Commercial Code Unit, and any other appropriate offices under the Uniform Commercial Code, together with instructions directing that filing receipts relating thereto be returned to the UCC Filer.
4. The original Title Policy is delivered to and held by the Agent.
5. The Information Return is to be filed by Bond Counsel with the Internal Revenue Service.

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**SPRINGBROOK NY, INC.**

and

**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

and

**CITIZENS FUNDING CORP.**

and

**CITIZENS BANK, N.A.,**  
as administrative agent for the Holder

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**BOND PURCHASE AGREEMENT**  
and  
**CONTINUING COVENANTS AGREEMENT**

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Dated as of March 1, 2017

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Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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## **BOND PURCHASE AGREEMENT AND CONTINUING COVENANTS AGREEMENT**

**THIS BOND PURCHASE AGREEMENT AND CONTINUING COVENANTS AGREEMENT** dated as of March 1, 2017 (this "*Agreement*"), by and among **SPRINGBROOK NY, INC.**, a not-for-profit corporation organized and existing under the laws of the State of New York (the "*Institution*"), **OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**, a New York not-for-profit corporation pursuant to Section 1411 of the Non Profit Corporation Law of the State of New York (the "*Issuer*"), **CITIZENS FUNDING CORP.**, a New Hampshire corporation (together with its successors and assigns, the "*Holder*") and **CITIZENS BANK, N.A.** (formerly known as RBS Citizens, N.A.), a national banking association as administrative agent on behalf of the Holder (with its successors and/or assigns (the "*Agent*").

### **RECITALS:**

A. At the request of the Institution, the Issuer issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in an aggregate principal amount of up to \$25,200,000 (the "*Initial Bonds*") under the terms and conditions more fully set forth in a trust indenture dated as of September 1, 2010 (the "*Initial Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "*Trustee*"); and

B. The Issuer loaned the proceeds of the Initial Bonds to the Institution pursuant to a loan agreement dated as of September 1, 2010 (the "*Initial Loan Agreement*"); and

C. Citizens Bank, N.A. (formerly known as RBS Citizens, N.A.) in its corporate capacity (the "*Bank*") agreed to make a draw down loan facility evidenced by the Initial Bonds available to the Institution pursuant to a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "*Initial Reimbursement Agreement*"); and

D. At the request of the Institution, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A, in the aggregate principal amount of \$2,500,000 (the "*Series 2012A Bonds*") under the terms and conditions more fully set forth in a Series 2012A Supplemental Indenture dated as of July 1, 2012 (the "*Series 2012A Supplemental Indenture*"), by and between the Issuer and the Trustee with the consent thereto by the Institution; and

E. In connection with the issuance of the Series 2012A Bonds, the Issuer and the Institution with the consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2012A Amendment to Loan Agreement dated as of July 1, 2012 (the "*Series 2012A Amendment to Loan Agreement*"); and

F. The Bank agreed to make a loan facility evidenced by the Series 2012A Bonds available to the Institution pursuant to the Supplement to Bond Purchase Agreement and Reimbursement Agreement dated as of July 1, 2012 (the “*Supplement to Reimbursement Agreement*” and together with the Initial Reimbursement Agreement, the “*Reimbursement Agreement*”); and

G. The Institution has requested the Issuer issue one or more series of bonds under the Initial Indenture and a Series 2017 Supplemental Indenture dated as of March 1, 2017 (the “*Series 2017 Supplemental Indenture*” and collectively with the Initial Indenture, the Series 2012A Supplemental Indenture and the Series 2017A Supplemental Indenture, the “*Indenture*”), by and between the Issuer and the Trustee with consent thereto by the Institution to assist it with the financing of, among other things, a portion of the costs of the construction and equipping on the Institution’s main campus (the “*Main Campus*”) located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “*Land*”) of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “*Residence Project*”), and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the “*Network Project*” and collectively with the Residence Project, the “*Project*”); all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

H. The Issuer has determined to issue the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A (the “*Series 2017A Bonds*”) in the up to aggregate principal amount of \$5,550,000; the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B (the “*Series 2017B Bonds*”) in the up to aggregate principal amount of \$500,000; and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C (the “*Series 2017C Bonds*” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “*Series 2017 Bonds*”) in the up to aggregate principal amount of \$4,450,000, under the terms and conditions more fully set forth in a Series 2017 Supplemental Indenture; and

I. In connection with the issuance of the Series 2017 Bonds, the Issuer and the Institution with consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement and as further amended, modified or supplemented from time to time, the “*Loan Agreement*”); and

J. Among other things, as security for the Institution’s obligations with respect to the Series 2017 Bonds under the Loan Agreement and this Agreement, the Institution has granted to the Issuer and the Agent the Mortgage (as defined below), and the Issuer has assigned its interest in the Mortgage to the Agent; and

K. The Holder, in consideration of, among other things, the express promises of the Institution set forth herein, has agreed to make a draw down loan facility available to the Institution in the maximum aggregate principal amount of up to \$10,500,000, for the purpose of financing the acquisition, construction, installation and equipping of the Project and paying certain costs and expenses incidental to the issuance of the Series 2017 Bonds;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

## ARTICLE 1

### INCORPORATION OF RECITALS AND EXHIBITS

**1.1 Incorporation of Recitals.** The foregoing preambles and all other recitals set forth herein are made a part hereof by this reference.

**1.2 Incorporation of Exhibits.** Exhibits A through F, inclusive, attached hereto are incorporated herein and expressly made a part hereof by this reference.

## ARTICLE 2

### DEFINITIONS

**2.1 Defined Terms.** The following items as used this Agreement shall have the following meanings, unless the context requires otherwise. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning given to them in the Indenture.

*Accountant:* An independent certified accountant or a firm of independent certified public accountants selected by the Institution and acceptable to the Agent.

*Act:* As such term is defined in the Indenture.

*Adjusted LIBOR Rate:* As such term is defined in the Indenture.

*Advance:* Payment by the Holder of a draw on the draw down loan facility evidenced by the Series 2017 Bonds.

*Affiliate:* With respect to a specified person or entity, any individual, partnership, corporation, limited liability company, trust, unincorporated organization, association or other entity which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such person or entity, including, without limitation, any general or limited partnership in which such person or entity is a partner.

*Agent:* Citizens Bank, N.A., a national banking association, in its capacity as administrative agent for the Holder under this Agreement and any of the Series 2017 Financing Documents or Credit Documents, or any successor administrative agent.

*Agreement:* This Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017, by and among the Institution, the Issuer, the Holder and the Agent, as the same may from time to time be further amended, supplemented or otherwise modified.

*Architect:* With respect to the Residence 2 and Residence 3, Chianis + Anderson Architects PLLC or any engineer selected by the Institution and acceptable to the Agent, and with respect to Residence 4 and Residence 5, the architect or engineer selected by the Institution and acceptable to the Agent.

*Architect Agreement:* Any agreement for design and construction monitoring of a Residence included in the Residence Project entered into by the Institution and approved by the Agent from time to time.

*Assignment of Construction Documents:* The Assignment of Construction Documents dated as of March 1, 2017, by the Institution to the Agent with the consents of the Construction Manager, the applicable Contractor and the applicable Architect, as each may be amended, supplemented or otherwise modified from time to time.

*Authorized Representative:* The officer(s) of the Institution duly authorized by such Institution to execute and deliver to the Agent any report, certificate or statement to be delivered by the Institution to the Agent under this Agreement or any of the other Credit Documents.

*Bank Fees:* The LIBOR Breakage Fee and the Upfront Fee, the fees and expenses described in Section 6.1 of this Agreement and all fees and expenses of counsel for the Holder and the Agent.

*Bank Hold Rate:* As such term is defined in the Indenture.

*Bank Purchase Rate:* With respect to the Series 2017 Bonds, a per annum rate of interest equal to the product of Tax-Exempt Rate Factor and the sum of the Adjusted LIBOR Rate as determined by the Agent for each LIBOR Interest Period plus 2.50%.

*Bankruptcy Code:* Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto or any other present or future bankruptcy or insolvency statute.

*Bond Counsel:* Hodgson Russ LLP, or any other nationally recognized Bond Counsel reasonably acceptable to the Agent.

*Bonds:* The Initial Bonds, the Series 2012A Bonds and the Series 2017 Bonds.

*Budget:* With respect to the Residence Project and the Network Project, the respective budget for Construction of such Project, attached hereto as Exhibit F, specifying all costs and expenses of every kind and nature whatever to be incurred in connection with the Construction thereof, as the same may be amended from time to time in accordance with this Agreement.

*Budget Line Item:* As such term is defined in Section 15.4 hereof.

*Building Loan Agreement:* The Building Loan Agreement dated as of March 1, 2017, between the Institution and the Agent, as amended, supplemented or otherwise modified from time to time.

*Business Day:* While the Series 2017 Bonds bear interest at the Bank Purchase Rate, any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York, or any city in which the principal corporate trust office of the Trustee or any Paying Agent or the principal office of the Agent is located are authorized by law or executive order to remain closed and when such term is used to describe a day on which a payment, redemption or repayment is to be made in respect of any Bonds bearing interest at the Bank Purchase Rate, any day which is (y) neither a Saturday nor a Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in New York City; and (z) a London Banking Day; and when such term is used to describe a day on which an interest rate determination is to be made in respect of any Bonds bearing interest at the Bank Purchase Rate, any day which is a London Banking Day.

*Change Order:* Any request for changes in the Plans and Specifications, the Construction Management Agreement or any Construction Agreement (other than minor field changes involving no extra cost).

*Closing Date:* The date on which the Series 2017 Bonds are issued and all conditions hereunder for the purchase of the Series 2017 Bonds by the Holder have been fulfilled to the satisfaction of the Holder and the Agent, in their sole discretion.

*Closing Disbursement:* The portion of the purchase price of the Series 2017 Bonds advanced by the Holder on the Closing Date pursuant to Section 5.1 of this Agreement which is in an amount sufficient to pay the issuance costs of the Series 2017 Bonds and to reimburse the Institution for Costs of the Project paid prior to the Closing Date.

*COBRA:* The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

*Code:* The United States Internal Revenue Code of 1986, as amended from time to time.

*Commencement Date:* With respect to the Network Project and each Residence of the Residence Project, the earlier of the (1) respective date set forth in column labeled Commencement Date on Exhibit A, and (2) the date construction actually commences.

*Completion Date:* With respect to the Network Project and each Residence included in the Residence Project, the earlier of (1) the respective date set forth in column labeled Completion Date on Exhibit A, and (2) the date of substantial completion of Construction of the Network Project and the respective Residence included in the Residence Project as evidenced in the manner provided in Section 15.15 of this Agreement.

*Construction or construction:* With respect to a Project, the construction, installation and equipping of such Project (including all site work necessary or attendant to construction, installation and operation of the residences or network) in accordance with the Plans and Specifications and the installation of Equipment required for the operation of the Project.

*Construction Agreement.* With respect to Residence 2 and Residence 3, Standard Form of Agreement between Owner and Contractor (AIA Document A101-2007) dated December 12, 2016, between the Institution and the Contractor (Residence 2) and Standard Form of Agreement between Owner and Contractor (AIA Document A101-2007) dated December 12, 2016, between the Institution and the Contractor (Residence 3), as the same may be further amended or modified from time to time and any agreement for construction of a Residence included in the Residence Project entered into by the Institution and approved by the Agent from time to time.

*Construction Management Agreement:* With respect to the Residence 2 and Residence 3, the Agency CM Services contract dated July 7, 2016, between the Institution and the Construction Manager, as amended by Amendment No. 1 dated as March 1, 2017, between the Institution and Construction Manager, as amended or supplemented from time to time and any agreement for construction management of a Residence included in the Residence Project entered into by the Institution and approved by the Agent from time to time.

*Construction Manager:* Le Chase Construction Services, LLC.

*Construction Schedule:* The respective schedule for Construction of each Residence and Network Project, specifying the Commencement Date and showing, on a monthly basis, the anticipated progress of the Construction and also showing that the Construction can be completed on or before the Completion Date, as the same may be amended from time to time in accordance with this Agreement.

*Contractor:* With respect to the Residence 2 and Residence 3, Upstate Companies I, LLC and with respect to Residences 4 and 5, any contractor reasonably acceptable to the Agent under a Construction Agreement.

*Control:* As such term is used with respect to any person or entity, including the correlative meanings of the terms “controlled by” and “under common control with,” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

*Conversion:* As such term is defined in the Indenture.

*Conversion Date:* As such term is defined in the Indenture, provided that no Conversion Date shall occur prior to the final Advance of the purchase price of the Series 2017 Bonds pursuant to Section 15.15 hereof.

*Costs of the Project:* As such term is defined in the Indenture.

*Credit Documents:* When used with respect to this Agreement and the draw down loan facility provided hereunder, the collective reference to this Agreement, the Series 2017 Bonds, the documents and instruments listed in Section 5.2 of this Agreement, and all the other documents and instruments entered into from time to time, evidencing or securing the Obligations of the Institution hereunder and/or thereunder or any obligation of payment thereof or performance of the Institution’s Obligations in connection with the draw down loan facility contemplated hereunder, each as amended or supplemented from time to time.



*Debt Service:* As of any date, the sum of all payments due and payable during the 365-day period immediately succeeding such date for (1) all scheduled principal and sinking fund installments with respect to all Indebtedness, (2) interest on all Indebtedness, and (3) letter of credit fees, remarketing expenses, if any, of the Bonds and other expenses related thereto.

*Debt Service Coverage Ratio:* As of any date, the ratio of (net earnings before interest expense, depreciation, extraordinary gains or losses after funding required reserves, changes in the valuation of interest rate swaps, noncash gains or losses, and unrealized gains or losses) to (Debt Service).

*Default or default:* Any event, circumstance or condition which, if it were to continue uncured, would, with notice or lapse of time or both, constitute an Event of Default hereunder.

*Default Rate:* While the Series 2017 Bonds bear interest at the Bank Hold Rate or the Bank Purchase Rate, a rate per annum equal to four percent (4%) per annum plus the Bank Hold Rate or the Bank Purchase Rate, as applicable, otherwise payable with respect to the Series 2017 Bonds, but not at any time in excess of the highest rate permitted by law.

*Environmental Indemnity:* The environmental indemnity dated as of March 1, 2017, from the Institution to the Agent and the Holder indemnifying the Agent and the Holder with regard to all matters related to Hazardous Material and other environmental matters, as amended, supplemented or otherwise modified from time to time.

*Environmental Laws:* The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(4), as amended, or any so called “superfund” or “superlien” Law, including the judicial interpretation thereof and any other Law or other past or present requirement of any Governmental Authority related to the protection of the environment or public health or safety. Any reference above to a Law includes the same as it may be amended from time to time, including the judicial interpretation thereof.

*Equipment:* As such term is defined in the Mortgage.

*ERISA:* The Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder from time to time.

*Event of Default:* As such term is defined in Section 10.1 hereof.

*Fiscal Year:* The Fiscal Year of the Institution, which ends June 30.

*GAAP:* Generally accepted accounting principles as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, consistently applied.

*Governmental Approvals:* Collectively, all consents, licenses and permits and all other authorizations or approvals required from any Governmental Authority for the Construction and operation of a Project in accordance with the respective Plans and Specifications.

*Governmental Authority:* Any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, or any court, administrative tribunal or public utility.

*Gross Revenues:* All issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and payments, contributions, gifts and grants from the Guarantor received pursuant to the Capital Campaign or otherwise and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Agent or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Series 2017 Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift.

*Guarantor:* Upstate Home for Children Foundation, Inc. and any other guarantor of the Obligations of the Institution.

*Guaranty:* The Guaranty dated as of March 1, 2017, from the Guarantor in favor of the Holder, as amended, supplemented or otherwise modified from time to time.

*Hazardous Material:* Means and includes natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, pollutants or contaminants, petroleum (including crude oil or any fraction thereof), asbestos containing materials, explosives, radioactive materials, polychlorinated biphenyls or any hazardous or toxic material, chemical, substance or waste which is defined by those or similar terms or is regulated as such under any Law of any Governmental Authority having jurisdiction over the Mortgaged Property or any portion thereof or its use, including Environmental Laws.

*In Balance or in balance:* As such term is defined in Section 15.5 hereof.

*Including or including:* Including, but not limited to.

*Indebtedness:* With respect to any Person, all items (other than capital items such as surplus and fund balances) which in accordance with GAAP would be included in determining

total liabilities as shown on the liability side of a balance sheet and the following liabilities whether or not required to appear on that balance sheet, including, without limitation, (a) indebtedness for borrowed money; (b) all obligations which are secured by any Lien on Property of such Person whether or not the obligations have been assumed by that Person; (c) all obligations to purchase any materials, supplies or other Property, or to obtain the services of any other Person, if the relevant contract or other related document is not subject to termination or cancellation by such Person and imposes an unconditional obligation upon such Person to pay for such materials, supplies, services or other Property, whether or not such materials, supplies or other Property is ever made or tendered or such services are ever performed or tendered; (d) indebtedness arising under agreements requiring reimbursement for drawings under letters of credit; (e) obligations with respect to any conditional sale agreement, lease agreements or title retention agreement required to be capitalized under GAAP; and (f) obligations under guarantees whether contingent or otherwise;.

*Indemnified Party:* As such term is defined in Section 9.12.

*Indenture:* As such term is defined in the recitals to this Agreement.

*Insurance Proceeds:* As such term is defined in Section 11.1.

*Interest Only Period:* With respect to the Series 2017A Bonds, the period commencing on the Closing Date and ending on February 28, 2018, and with respect to the Series 2017B Bonds, the period commencing on the Closing Date and ending on March 31, 2018 and with respect to the Series 2017C Bonds, the period commencing on the Closing Date and ending July 31, 2018.

*Interest Rate Mode:* As such term is defined in the Indenture.

*Issuer:* As such term is defined in Recital A.

*Land:* As such term is defined in the recitals to this Agreement.

*Late Charge:* While the Series 2017 Bonds bear interest at the Bank Hold Rate or the Bank Purchase Rate, \$100.

*Laws:* Collectively, all federal, state and local laws, statutes and regulations, including judicial opinions or precedential authority in the applicable jurisdiction.

*LIBOR Breakage Fee:* An amount as calculated by the Agent, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Agent or the Holder may sustain as a result of the purchase or redemption of all or a portion of the Series 2017 Bonds.

*LIBOR Interest Period:* As such term is defined in the Indenture.

*Loan Agreement:* As such term is defined in the recitals to this Agreement

*London Banking Day:* A day on which dealings in U.S. deposits are transacted in the London interbank market.

*Major Subcontractors:* Any subcontractor under a Major Subcontract.

*Major Subcontracts:* All subcontracts between the Contractor(s) and any subcontractors and material suppliers which provide for an aggregate contract price equal to or greater than \$100,000.

*Material Adverse Change or material adverse change:* If, in the Agent's reasonable discretion, the business, prospects, operations, assets or condition, financial or otherwise, of a person, entity (including, without limitation, the Institution and the Guarantor) or property (including, without limitation, the Mortgaged Property) has changed in a manner which would materially impair the value of the security for the obligations of the Institution or the Guarantor under this Agreement and the applicable Credit Documents, prevent timely payment of the obligations of the Institution or the Guarantor under the applicable Credit Documents or otherwise prevent the applicable person or entity from timely performing any of its material obligations under the applicable Credit Documents.

*Maximum Marginal Statutory Tax Rate:* As such term is defined in the Series 2017 Supplemental Indenture.

*Mortgage:* The Building Loan Mortgage, Security Agreement and Assignment of Rents and Leases dated as of March 1, 2017, by and among the Institution, as mortgagor and the Issuer and the Agent, as mortgagees, as amended, supplemented or otherwise modified from time to time.

*Mortgaged Property:* The Series 2017 Mortgaged Property as defined in the Mortgage.

*Obligations:* The Secured Hedge Obligations and the obligations of the Institution under this Agreement, the Loan Agreement, the Bonds and all other debts, liabilities, costs, expenses and obligations of the Institution to the Holder, the Agent and the Bank.

*OCFS:* The State Office of Children and Family Services and any governmental entity that succeeds to all or part of the responsibilities thereof.

*Operating Account:* Account No. 4008625207 maintained by the Institution with the Agent.

*Operating Certificate:* With respect to the Main Campus Mortgaged Property, the letter dated September 30, 2016, by OPWDD with respect to the operation by the Institution of a private school.

*OPWDD:* The State Office for People with Developmental Disabilities, formerly known as the New York State Office of Mental Retardation and Developmental Disabilities and any governmental entity that succeeds to all or part of the responsibilities thereof.

*Outstanding:* As such term is defined in the Indenture.

*Permitted Encumbrances:* Those matters listed on Exhibit B attached to this and such other title exceptions as the Agent may reasonably approve in writing and those matters as described in Section 8.6 of this Agreement.

*Person:* An individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

*Plans and Specifications:* With respect to Residence 2 and Residence 3, Resident House 2 & 3 Drawings dated August 19, 2016 and Resident House 2 & 3 Technical Specifications dated August 19, 2016 for improvements to be constructed at 105 Campus Drive, Oneonta, NY prepared by Chianis + Anderson Architects and with respect to each Residence included in the Residence Project, detailed stamped complete plans and specifications for Construction of such Residence prepared by the Architect and delivered by the Institution to the Agent prior to any Advance (other than the Closing Disbursement) with respect to the respective Residence, as modified from time to time in accordance with the terms hereof.

*Pledge and Assignment:* The Pledge and Assignment dated as of March 1, 2017, from the Issuer to the Trustee.

*Pledged Collateral:* The collateral in which the Institution or the Guarantor, as applicable, has given the Issuer, the Holder or the Agent a Lien pursuant to the Mortgage, the Security Agreement, the Assignment of Construction Documents and any other Credit Document.

*Principal Amortization Period:* With respect to each Series of Series 2017 Bonds, the first day of the second calendar month immediately following the end of the Interest Only Period.

*Project:* Individually and collectively the Residence Project and the Network Project.

*Purchase Price:* As such term is defined in the Indenture.

*Reimbursement Obligations:* The obligations of the Institution under this Agreement, the Bonds and all other debts, liabilities, costs, expenses and obligations of the Institution to the Bank, the Holder and the Agent.

*Reportable Event:* Any reportable event as that term is defined in ERISA.

*Request for Advance:* A request for Advance of the purchase price of the Series 2017 Bonds, substantially in the form attached as Exhibit D hereto.

*Required Permits:* With respect to each Project, any building permit, environmental permit, utility permit, land use permit, wetland permit and any other permits, approvals or licenses issued by any Governmental Authority which are required in connection the Construction or operation of such Project including without limitation with respect to the Residence Project, approval from OCFs, satisfactory to the Agent.

*Reserve Fund:* As such term is defined in the Indenture.

*Reserve Fund Requirement:* As such term is defined in the Indenture.

*Residence:* As defined in Exhibit A attached hereto.

*Residence Project:* As such term is defined in Recital G, and more fully described in Exhibit A.

*Secured Hedge Agreements:* All transactions (a) to which the Agent is a party, (b) which are secured by the Pledged Collateral and (c) consisting of rate swap transactions, foreign exchange transactions, credit derivative transactions and commodity transactions, including, but not limited to, basis swaps, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

*Secured Hedge Obligations:* All obligations of the Institution arising from any and all Secured Hedge Agreements.

*Security Agreement:* The Security Agreement dated as of March 1, 2017, between the Institution and the Agent, as amended, supplemented or otherwise modified from time to time.

*Series 2012A Bonds:* The aggregate principal amount \$2,500,000 Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds, Series 2012A.

*Series 2017 Bonds:* Collectively, the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds.

*Series 2017A Bonds:* The Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the up to aggregate principal amount of \$5,550,000.

*Series 2017B Bonds:* The Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the up to aggregate principal amount of \$500,000.

*Series 2017C Bonds:* The Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the up to aggregate principal amount of \$4,450,000.

*Series 2017 Financing Documents:* As such term is defined in the Indenture.

*Series 2017 Supplemental Indenture:* As such term is defined in Recital G.

*State:* The State of New York.

*State Education Department:* The New York State Department of Education and any governmental entity that succeeds to all or part of the responsibilities thereof.

*Subcontracts:* Subcontracts for labor or materials to be furnished to a Project.

*Subordinated Debt:* The Indebtedness of a Person which is subordinated, in a manner satisfactory to the Agent, to all Indebtedness owing to the Holder.

*Subsidiary or Subsidiaries:* (i) Any for-profit corporation more than fifty percent (50%) of the capital stock of which is owned or controlled, directly or indirectly, by the Institution or any Subsidiary and whose accounts are required to be consolidated with those of the Institution in accordance with generally accepted accounting principles consistently applied; and (ii) any not-for-profit corporation which is controlled, directly or indirectly, by the Institution.

*Tax-Exempt Rate Factor:* With respect to the Bank Purchase Rate, 65% as adjusted from time to time in connection with an increase in the Maximum Marginal Statutory Tax Rate as set forth in the form of the Series 2017 Bond attached to the Series 2017 Supplemental Indenture.

*Title Insurer:* Stewart Title Insurance Company.

*Title Policy:* The ALTA Mortgagee's Loan Title Insurance Policy with extended coverage issued by the Title Insurer insuring the lien of the Mortgage as a valid lien upon the fee and leasehold interest of the Issuer and the Institution in the Mortgaged Property and all appurtenant easements, and subject to no other exceptions other than the Permitted Encumbrances and otherwise satisfying the requirements of Section 5.2(c) hereof.

*Transfer:* Other than occupancy agreements for units to clients in the Institution's ordinary course of business, any sale, transfer, lease, conveyance, alienation, pledge, assignment, mortgage, encumbrance, hypothecation or other disposition of (a) all or any (other than as provided in Section 9.17 or Section 9.18 hereof) portion of the Mortgaged Property or any portion of any other security for the obligations of the Institution hereunder; (b) all or any (other than as provided in Section 9.17 or Section 9.18 hereof) portion of the Institution's right, title and interest (legal or equitable) in and to the Mortgaged Property or any portion of any other security for the obligations of the Institution hereunder; or (c) any interest in the Institution or any interest in any entity which holds an interest in, or directly or indirectly controls, the Institution.

*Trustee:* As such term is defined in Recital A.

*Unavoidable Delay:* Any delay in the construction of a Project, caused by natural disaster, fire, war, embargoes, civil disturbances, earthquake, floods, explosion, extraordinary adverse weather conditions, inability to procure or a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market, failure of transportation, strikes or lockouts for which an Institution has notified the Agent in writing.

*Upfront Fee:* As such term is defined in Section 6.2(b) of this Agreement.

## ARTICLE 3

### TERMS AND COVENANTS RELATING TO THE SERIES 2017 BONDS WHILE BEARING INTEREST AT THE BANK PURCHASE RATE

#### 3.1 Terms and Covenants Relating to the Series 2017 Bonds While Bearing Interest at the Bank Purchase Rate.

(a) **Payment of Debt Service.** The Institution shall pay to the Agent promptly when due any and all amounts owing to the Agent and the Holder under this Agreement including all amounts due and payable under the Series 2017 Bonds. Among other things, the Institution will pay to the Agent, in immediately available funds:

(i) on or before the first day of each month commencing on the first day of the Principal Amortization Period or on or before each day on which prepayment of principal of, or LIBOR Breakage Fee, if any, on the Series 2017 Bonds shall become due, whether at maturity, by redemption, acceleration or otherwise, an amount equal to the payment then coming due,

(ii) on or before the first day of each month commencing May 1, 2017, an amount equal to interest then due on the Series 2017 Bonds; and

(iii) any amount payable by the Institution to the Agent or an Affiliate of the Agent under any Secured Hedge Agreement in connection with termination thereof.

The Agent will charge the Operating Account for each such payment when due. The Institution may make payments to the Agent earlier than required by this Section, but such payments shall not affect the accrual of interest except to the extent the Series 2017 Bonds are redeemed. The amount of interest due on the Series 2017 Bonds shall be determined by the Agent and communicated to the Institution prior to each Interest Payment Date (such communication to set forth the amount of interest due at the then applicable Bank Hold Rate or Bank Purchase Rate). If any amount owed to the Agent in respect of principal or Purchase Price of, and/or interest or LIBOR Breakage Fee, if any, on, any of the Series 2017 Bonds is not paid when due, then, in addition to any other payments required under the Series 2017 Bonds and/or under this Agreement, the Institution will pay to the Agent the Late Charge and interest at the Default Rate. Notwithstanding anything to the contrary in the Series 2017 Bonds or this Agreement, all amounts due under this Agreement and the Series 2017 Bonds shall be due and payable, on demand, on the Purchase Date (as defined in Section 3.1(c) hereof) and on the redemption date of all outstanding Series 2017 Bonds.

(b) **Tax Qualification.** Without limitation of any covenants and agreements contained in this Agreement or elsewhere, the Institution agrees that so long as any of the Series 2017 Bonds are held by the Holder identified herein and have not been defeased in full or paid in full, the Institution will take all such actions as may be necessary to preserve the tax-exempt nature of the interest on the Series 2017 Bonds.



(c) **Demand Purchase Option.** The Series 2017A Bonds and Series 2017C Bonds while bearing interest at the Bank Purchase Rate (or the Bank Hold Rate) will be subject to demand for purchase by the Institution (1) at the election of the Holder in whole upon the Business Day immediately following the date upon which the Agent shall notify the Institution and the Trustee that an Event of Default has occurred and is existing under this Agreement and directing that the Bonds be purchased by the Institution at the Purchase Price; or (2) at the election of the Holder (the “*Tender Option*”) in whole on March 1, 2027 (a “*Purchase Date*”) at a Purchase Price equal to 100% of the principal amount of the Bonds, plus accrued interest thereon, if any, to the Purchase Date. On or before September 1, 2026 (a “*Notice Date*”), the Institution may request in writing that the Agent not exercise the Tender Option on the following March 1.

The Agent will notify the Institution and the Trustee within ninety (90) days after the Agent’s receipt of the Institution’s written request therefor of whether or not the Agent elects not to exercise the Tender Option. If the Agent fails to give notice to the Institution of its election, the Tender Option shall be deemed to have been exercised and the Institution shall purchase the Bonds at the Purchase Price on the Purchase Date. In the event that the Agent elects not to exercise the Tender Option on the following March 1 and such election is subject to the condition that the Bank Purchase Rate (or Bank Hold Rate) or other terms of the Bonds or this Agreement be modified, such modification shall not take effect and the Tender Option on the following March 1 shall be exercised unless the Agent shall have been furnished with, at the Institution’s expense, an opinion of Bond Counsel acceptable to the Agent to the effect that such modifications will not adversely affect the exclusion from federal income taxation of interest on the Bonds.

**3.2 Collateral.** The Obligations shall be secured by the Pledged Collateral. The Institution shall execute and deliver or cause to be executed and delivered such documents, and take such actions as are necessary to cause such Liens to be granted to the Agent.

**3.3 Payments and Computations.**

(a) All payments by the Institution to the Agent under this Agreement shall be made to the Agent at 250 South Clinton Street, Syracuse, New York 13202, or to such other location as may be designated by the Agent to the Institution in writing, in immediately available funds prior to 3:00 p.m. on a Business Day. Payment received after such time shall be credited as though received on the following Business Day. When any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest. The payments and amounts due the Agent hereunder shall be made by the Agent debiting the Institution’s Operating Account. The Agent shall promptly transfer therefrom to the Holder payment on the Holder’s Series 2017 Bonds and any other amounts, if any, then due. The Institution covenants and agrees that on the date any payment or other amount is due hereunder, the Institution will have unrestricted funds in its Operating Account in an amount no less than the amount then due.

(b) It is understood that during the pendency of an Event of Default hereunder each amount which may become due and payable to the Holder or the Agent hereunder may, in

its discretion and if not otherwise paid, be charged by the Holder or the Agent to any available funds then held by them for the account of the Institution.

(c) All computations of interest and fees which are payable hereunder shall be calculated on the basis of a 360-day year for the actual number of days in each year that Obligations payable hereunder are outstanding.

**3.4 Evidence of Debt.** The Agent shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Institution evidenced by the Series 2017 Bonds and the amounts payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement or the Series 2017 Bonds, the entries made in such account or accounts shall be presumptive evidence of the existence and amounts of the Obligations of the Institution therein recorded.

**3.5 Reserve Requirements; Change In Circumstances.**

(a) If after the date of this Agreement any change in condition (other than net income derived from the transactions hereunder exceeding the Holder's expectations) or applicable law, regulation or interpretation thereof (including any request, guideline or policy not having the force of law and including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System) by any authority charged with the administration or interpretation thereof shall occur which shall:

(i) subject the Holder (which shall for the purpose of this Section include any assignee or lending office of the Holder) to any tax with respect to the Series 2017 Bonds (other than any tax on the overall net income of the Holder); or

(ii) change the basis of taxation of payments to the Holder to pay debt service on the Series 2017 Bonds, other fees and amounts payable hereunder, or any combination of the foregoing (other than any tax on the overall net income of the Holder); or

(iii) impose, modify or deem applicable any reserve or deposit requirements against any assets held by, deposits with or for the account of, or loans or commitments by, an office of the Holder; or

(iv) impose upon the Holder any other condition with respect to the Series 2017 Bonds or this Agreement; and

the result of any of the foregoing shall be to increase the actual cost to the Holder of owning the Series 2017 Bonds in the Bank Purchase Rate or Bank Hold Rate (such increase in actual cost and the basis therefor shall be set forth in a certificate from the Holder furnished to the Institution promptly following request therefor), or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Holder or to require the Holder to make payment, in respect of the Series 2017 Bonds while in the Bank Purchase Rate or Bank Hold Rate in each case by or in any amount which the Holder shall reasonably deem material, then the Institution shall pay to the Holder, in accordance with Section 3.5(b) below, such an amount or amounts as will compensate the Holder for such additional cost, reduction or payment,

except that the payment in the case of Section 3.5(a)(i) and (ii) shall be determined and payable in accordance with Section 7.1 hereof.

(b) If after the date of this Agreement the Holder shall have reasonably determined that the applicability of any law, rule, regulation or guideline adopted or arising out of the June 2006 report of the Basel Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or the adoption after the date of this Agreement of any other law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any domestic or foreign governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Holder or any participant (or any lending office of the Holder or participant), as the case may be, or by the Holder's or any such participant's holding company, as the case may be, with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Holder's or any such participant's capital or on the capital of the Holder's or any such participant's holding company, as the case may be, as a consequence of the Holder's or any such participant's obligations with respect to this Agreement, the Series 2017 Bonds, the Mortgage, the Security Agreement or the other Credit Documents to a level below that which the Holder or any such participant or the Holder's or any such participant's holding company, as the case may be (taking into consideration the Holder's or any such participant's policies or the Holder's or any such participant's holding company's policies, as the case may be, with respect to capital adequacy), by an amount deemed by the Holder to be material, then from time to time, the Institution shall pay to the Holder such additional amount or amounts as will reimburse the Holder or any such participant or the Holder's or any such participant's holding company, as the case may be, for such reduction. Any amount or amounts payable by the Institution to the Holder in accordance with the provisions of this paragraph shall be paid by the Institution to the Holder within thirty (30) days of receipt by the Institution from the Holder of a statement, with invoices and bills for actual charges, setting forth the amount or amounts due and the basis for the determination from time to time of such amount or amounts, which statement, invoices and bills shall be conclusive and binding upon the Institution absent manifest error. All sums which shall or may become due and payable by the Institution in accordance with the provisions of this paragraph shall be and shall under all circumstances be deemed to constitute a fee and not additional interest on the Series 2017 Bonds, shall be evidenced by this Agreement, shall be secured by the Mortgage, the Security Agreement and the other Credit Documents and shall constitute part of this Agreement.

**3.6 Obligations.** The Obligations of the Institution under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement, the applicable Credit Documents, the Series 2017 Bonds, the other Series 2017 Financing Documents or any other agreement or instrument relating thereto;

(b) any amendment or waiver of or any consent to departure from the terms of the Series 2017 Bonds, this Agreement, the applicable Credit Documents, the Series 2017 Financing Documents or any other agreement or instrument relating thereto;

(c) the existence of any claim, setoff, defense or right which the Institution may have at any time against the Agent, the Holder or any other person or entity, whether in connection with this Agreement, the Series 2017 Bonds, the transactions contemplated by this Agreement, the applicable Credit Documents or the Series 2017 Financing Documents or any unrelated transaction;

(d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

**3.7 Right of First Refusal for Issuance of Letter of Credit.** Not less than one hundred twenty (120) days prior to a proposed effective date of Conversion to a different Rate Period (other than the Bank Purchase Rate or Bank Hold Rate), the Institution shall request that the Agent agree to issue a direct pay letter of credit on the effective date of Conversion to secure the payment of principal and Purchase Price of, interest, and premium, if any, on the Series 2017 Bonds on such terms, fees, and conditions (a) as shall be commercially reasonable and competitive in the commercial banking marketplace for direct pay letters of credit issued to secure variable rate debt of creditworthy nonprofit borrowers similar to the Institution and (b) which shall include collateral substantially equivalent in value and nature as the Pledged Collateral. If the Agent elects to deliver a direct pay letter of credit and such direct pay letter of credit will satisfy the requirements applicable to a Credit Facility (as defined in the Indenture) under the Indenture, then the Institution shall obtain the Credit Facility from the Agent. If the Agent shall elect not to issue such direct pay letter of credit or such direct pay letter of credit will not satisfy the requirements in the Indenture applicable to a Credit Facility, then the Institution may thereafter obtain a Credit Facility from another provider.

## ARTICLE 4

### THE AGENT

#### 4.1. Appointment and Authorization of Agent.

(a) The Holder hereby irrevocably appoints Citizens Bank, N.A. to act on its behalf and for its benefit as administrative agent hereunder and under the other Series 2017 Financing Documents and Credit Documents and authorizes the Agent to take such actions on its behalf and for its benefit and to exercise such powers as are delegated to the Agent by the terms hereof and thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Holder, and none of the Institution, the Issuer, nor any other Person shall have rights as a third party beneficiary of any of such provisions.

The Agent will service and administer on behalf and for benefit of the Holder, this Agreement and monitor the performance of the Institution hereunder and perform the other powers of the Agent set forth in the Series 2017 Financing Documents or Credit Documents or incidental thereto in accordance with its usual practices in the ordinary course of business: provided that the Agent shall not, in the absence of willful misconduct or gross negligence by the Agent, be liable to the Holder with respect to its actions or inactions in relation thereto.

The Agent will furnish to the Holder promptly following receipt thereof by the Agent, copies of any proposed modifications of the Series 2017 Financing Documents or Credit Documents presented to the Agent for approval and any reports, requests or other documents or information furnished by the Institution hereunder. The Agent will give to the Holder, and the Holder will give to the Agent prompt telephonic notice (confirmed in writing) of (i) any Event of Default under the Series 2017 Financing Documents or Credit Documents of which the Agent or the Holder, as the case may be, have actual knowledge and (ii) any other matter of which the Agent or the Holder, as the case may be, have actual knowledge and which in the reasonable judgment of the party required to give such notice could have a material adverse effect on its interests in Obligations of the Institution, but, in the absence of willful misconduct or gross negligence, no failure to give any such notice shall result in liability on the part of the party required to give such notice.

The Agent represents and warrants that it has full right, power and authority to execute, deliver and perform its obligations under this Agreement without notice to or consent of anyone, except such notice and consent (if any) as has been obtained. This Agreement has been duly executed and delivered by the Agent and constitutes a legal, valid and binding obligation of the Agent, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally, and subject to usual principles of equity.

(b) The Holder also hereby irrevocably appoints and authorizes the Agent to act as the agent of the Holder for purposes of acquiring, holding and enforcing any and all Liens on the Pledged Collateral granted to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto.

#### **4.2. Exculpatory Provisions.**

(a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Series 2017 Financing Documents and Credit Documents. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Series 2017 Financing Documents or Credit Documents that the Agent is required to exercise as directed in writing by the Holder, *provided* that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel,

may expose the Agent to liability or that is contrary to any Series 2017 Financing Document, Credit Document or applicable Laws;

(iii) except for action expressly required of the Agent hereunder, shall in all cases be fully justified in failing or refusing to act hereunder unless it shall have received a satisfactory indemnity in its reasonable judgment (which may include cash collateral) from the Holder in respect of any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action; and

(iv) shall not, except as expressly set forth herein or in the other Series 2017 Financing Documents or Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Issuer, the Institution or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Holder or (ii) in the absence of its own gross negligence or willful misconduct.

(c) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, any other Series 2017 Financing Document or any Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Series 2017 Financing Document, any Credit Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

**4.3. Defaults/Remedies.** The Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default (other than the non-payment of principal or interest on the Series 2017 Bonds but only to the extent, if any, the same is required to be paid to the Agent for the account of the Holder) unless the Agent has actual knowledge thereof or received notice from a Holder, the Issuer or the Institution specifying such Default or Event of Default and stating that such notice is a “*Notice of Default*” or “*Notice of Event of Default*”. In the event that the Agent receives such a notice of occurrence of a Default or Event of Default, the Agent shall give prompt notice thereof to the Holder (and shall give the Holder prompt notice of each such non-payment). The Agent shall (subject to its rights to and receipt of satisfactory indemnity from and by the Holder) take such action with respect to such Default or Event of Default which is continuing as shall be directed by the Holder; provided that, unless and until the Agent shall have received such directions, the Agent may take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Holder (and shall incur no liability for such action or by reason of so refraining); and provided further that the Agent shall not be required to take any such action which it determines to be contrary to law.

**4.4. Reliance by Agent.** The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Agent may consult with legal counsel (who may be Bond Counsel or counsel for the Institution or the Issuer), independent accountants, appraisers and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants, appraisers or experts.

**4.5. Delegation of Duties.** The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Series 2017 Financing Document or Credit Document by or through any one or more sub-agents appointed by the Agent so long as prior written notice of the appointment of such sub-agent is given to the Institution, the Issuer and the Holder. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the participation, if any, in the draw down loan facility provided for herein as well as activities as the Agent.

**4.6. Resignation of Agent.** The Agent may at any time give notice of its resignation to the Holder, the Issuer and the Institution. Upon receipt of any such notice of resignation, the Holder shall have the right, in consultation with the Institution, to appoint a successor, which shall be a bank or other financial institution with an office in the United States, or an Affiliate of any such bank or other financial institution with an office in the United States. If no such successor shall have been so appointed by the Holder and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Holder appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Institution and the Holder that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Series 2017 Financing Documents and Credit Documents (except that in the case of any collateral security held by the Agent on behalf of the Holder under any of the Series 2017 Financing Documents or Credit Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to the Holder directly, until such time as the Holder appoints a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as the Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Series 2017 Financing Documents or Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Institution to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Institution and such successor. After the retiring Agent's resignation hereunder and under the other Series 2017 Financing Documents, the provisions of this Article and Sections 6.1, 9.12,

9.28 and 13.11 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as the Agent. If the Agent is a Holder, then any resignation by the Agent pursuant to this Section shall not constitute its resignation as a Holder.

**4.7. Documents.** The Agent will forward to the Holder, promptly after the Agent's receipt thereof, a copy of each report, notice or other document required by this Agreement or any related document, instrument, or agreement, to be delivered to the Agent for the Holder; provided, however, the failure of the Agent to distribute any such documents, instruments or agreements shall not result in any liability of, or create a basis for any cause of action against, the Agent.

**4.8. Agent May File Proofs of Claim.** In case of the pendency of any proceeding under the Bankruptcy Code or any other judicial proceeding relative to any Person, for so long as this Agreement remains in effect, and at all other times, the Agent (irrespective of whether the principal of any Series 2017 Bond shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Issuer) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Series 2017 Bonds and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Holder and the Agent (including any claim for the reasonable compensation, expenses, disbursements and Advances of the Holder and the Agent and their respective agents and counsel and all other amounts due the Holder and the Agent under this Agreement) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by the Holder to make such payments to the Agent be, and, in the event that the Agent shall consent to the making of such payments directly to the Holder, to pay to the Agent. any amount due for the reasonable compensation, expenses, disbursements and Advances of Agent and its agents and counsel, and any other amounts due the Agent under this Agreement. Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of the Holder any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of the Holder or to authorize the Agent to vote in respect of the claim of the Holder in any such proceeding.

**4.9. Collateral Matters.**

(a) The Holder hereby irrevocably authorizes and directs the Agent to enter into the Mortgage, the Assignment of Construction Documents and the Security Agreement (collectively, the "*Collateral Documents*") for the benefit of the Holder. The Agent is hereby authorized (but not obligated) on behalf of the Holder, without the necessity of any notice to or further consent from the Holder from time to time prior to an Event of Default, to take (and is hereby authorized to take) any action with respect to any Pledged Collateral or Collateral



Documents which may be necessary to perfect and maintain perfected the Liens upon the Pledged Collateral granted pursuant to the Collateral Documents.

(b) The Agent shall (and is hereby irrevocably authorized by the Holder to) execute such documents as may be necessary to evidence the release or subordination of the Liens granted to the Agent for the benefit of the Agent and the Holder herein or pursuant hereto upon the applicable Pledged Collateral; provided that (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to or create any liability or entail any consequence other than the release or subordination of such Liens without recourse or warranty and (ii) such release or subordination shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of the Issuer or the Institution or any other Person in respect of) all interests retained by the Institution or any other Person, including, but not limited to, the proceeds of the sale, all of which shall continue to constitute part of the Pledged Collateral. In the event of any sale or transfer of Pledged Collateral, or any foreclosure with respect to any of the Pledged Collateral, the Agent shall be authorized to deduct all expenses reasonably incurred by the Agent from the proceeds of any such sale, transfer or foreclosure.

(c) The Agent shall not have any obligation whatsoever to the Holder or any other Person to assure that the Pledged Collateral exists or is owned by the Institution or any other Person or is cared for, protected or insured or that the Liens granted to the Agent herein or in any of the Collateral Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Agent in this Section 4.9 or in any of the Collateral Documents, it being understood and agreed that in respect of the Pledged Collateral, or any act, omission or event related thereto, the Agent may act in any manner it may deem appropriate, in its sole discretion and that the Agent shall not have any duty or liability whatsoever to the Holder.

**4.10. Merger or Consolidation of Agent.** Any corporation or association into which the Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Agent hereunder and shall be vested with all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto.

## ARTICLE 5

### PURCHASE OF SERIES 2017 BONDS; CONDITIONS PRECEDENT TO PURCHASE OF SERIES 2017 BONDS; REPRESENTATIONS OF ISSUER AND HOLDER

**5.1 Purchase of Series 2017 Bonds.** On March 27, 2017, or on such other date as the Issuer, the Trustee, the Agent, the Holder and the Institution may mutually agree upon, the Holder agrees, subject to the conditions and provisions of this Agreement, to make an Advance to the Issuer or its designee in the amount equal to the Closing Disbursement and thereafter to make Advances from time to time of the remaining proceeds of the Series 2017 Bonds, (i) upon receipt of the Series 2017 Bonds in the aggregate principal amount of \$10,500,000 and (ii) subject to the terms and conditions of this Agreement and the Loan Agreement. The Series 2017 Bonds shall be issued as draw down bonds and the principal and interest due thereon shall be only such amount as has been drawn down. The Holder shall make Advances in accordance with and subject to the terms of this Agreement, provided that the Holder may make Advances from time to time for the purpose of paying interest to the Holder during the Interest Only Period and Bank Fees.

**5.2 Conditions Precedent.** The Institution agrees that the obligations of the Holder under this Agreement, including to pay the Closing Disbursement, are conditioned upon performance and compliance by the Institution of its obligations and agreements to be performed or complied with on or prior to the Closing Date and to the truth, accuracy and completeness on and as of the Closing Date of the representations and covenants of the Institution contained in this Agreement. The obligations of the Holder to establish the draw down loan facility evidenced by, and purchase, the Series 2017 Bonds are also subject to the following further conditions:

(a) The Issuer, the Trustee and the Institution shall have duly authorized and executed and delivered to the Agent the Series 2017 Financing Documents, transcript of proceedings, authorizing resolutions and incumbency certificates.

(b) On or prior to the Closing Date, the Agent, on behalf and for the benefit of the Holder, shall have received in form and substance satisfactory to the Holder and their respective counsel:

(i) The Series 2017 Bonds executed by the Issuer and authenticated by the Trustee;

(ii) Fully executed original counterparts of:

a) The Series 2017 Supplemental Indenture;

b) This Agreement;

c) The Mortgage;

- d) The Assignment;
- e) The Security Agreement;
- f) The Environmental Indemnity;
- g) The Building Loan Agreement;
- h) The Assignment of Construction Documents with the Consents of the Construction Manager and the Contractor; and
- i) The Guaranty; and

(iii) UCC financing statements or other documents as the Agent's counsel determines are advisable or necessary to perfect or notify third parties of the security interests intended to be created by the Credit Documents and the Series 2017 Financing Documents.

(c) The Agent shall have received (or shall have obtained at the Institution's expense) on or before the Closing Date the following in form and substance reasonably satisfactory to the Holder and the Agent:

(i) The certificate of incorporation, bylaws and all other corporate charter documents of the Institution, certified by the Authorized Representative of the Institution;

(ii) A certificate, dated the Closing Date, of an Authorized Representative of the Institution, certifying the name and true signatures of the officers of the Institution authorized to sign this Agreement and the other documents to be delivered by the Institution hereunder;

(iii) Resolutions of the Institution authorizing the execution, delivery and performance of this Agreement, the Mortgage, the Security Agreement, and the other Series 2017 Financing Documents to which it is a party;

(iv) A certificate from the New York State Secretary of State as to the subsistence of the Institution;

(v) With respect to Residence 2 and Residence 3, fully executed counterparts of the Construction Management Agreement and the Construction Agreements;

(vi) The Series 2017 Bonds duly executed and delivered;

(vii) The legal opinion of Bond Counsel (A) to the effect that interest on the Series 2017 Bonds shall be excludable from gross income for federal, state and local tax purposes; and (B) as to the due authorization, execution and delivery of the Series 2017 Bonds and the Series 2017 Financing Documents to which the Issuer is a party and

that they are legal, valid, binding and enforceable, which opinion shall be reasonably satisfactory to the Agent and Agent's counsel in their sole discretion;

(viii) The legal opinion of the Trustee's counsel with respect to the Series 2017 Financing Documents to which the Trustee is a party, all in form and content reasonably satisfactory to the Agent and Agent's counsel in their sole discretion;

(ix) A Title Policy with respect to the Mortgage, reasonably satisfactory to the Agent and Agent's counsel in their sole discretion;

(x) An up-to-date land survey containing maps or plans of the perimeter or boundaries of the site of the premises subject to the Mortgage, certified to the Issuer, the Title Insurer, the Holder, the Agent and Agent's counsel, which survey shall show, in addition to the metes and bounds of the perimeter, all monuments and angles referred to in the description, dimensions and locations of any improvements, easements, rights of way, adjoining sites, encroachments. and the lines, the distance to and the names of the nearest intersecting streets, and such other details as the Agent may request;

(xi) Evidence satisfactory to the Agent that the Mortgaged Property is not in a flood hazard area or, in the event that the Mortgaged Property or any portion thereof is so located, a certificate of insurance evidencing flood hazard insurance in the amount required by law and otherwise in form and amount acceptable to the Agent;

(xii) A satisfactory environmental questionnaire for the Mortgaged Property;

(xiii) Payment by the Institution of all reasonable fees and expenses incurred by the Holder and the Agent in connection with this Agreement and the transactions contemplated herein, including, without limitation, the fees related to the Agent's obtaining of a flood zone certification and the Agent's attorneys' fees and disbursements;

(xiv) The certificate of incorporation, bylaws and all other corporate charter documents of the Guarantor, certified by the Authorized Representative of the Guarantor;

(xv) A certificate, dated the Closing Date, of an Authorized Representative of the Guarantor, certifying the name and true signatures of the officers of the Guarantor authorized to sign the Guaranty and the other documents to be delivered by the Guarantor hereunder;

(xvi) Resolutions of the Guarantor authorizing the execution, delivery and performance of Guaranty and the other documents to which it is a party;

(xvii) A certificate from the New York State Secretary of State as to the subsistence of the Guarantor;

(xviii) UCC, bankruptcy and judgment searches against the Institution and the Guarantor and reasonably acceptable to the Agent;

(xix) The legal opinion of the Institution's counsel with regard to the authorization of this Agreement and all other Credit Documents executed by the Institution with respect to the Series 2017 Bonds, the validity and enforceability of this Agreement and all other Credit Documents executed by the Institution with respect to the Series 2017 Bonds and such other matters as may be reasonably requested by the Agent and the Agent's counsel;

(xx) The legal opinion of the Guarantor's counsel with regard to the authorization of the Guaranty and the other documents to which the Guarantor is a party, the validity and enforceability of the Guaranty and such other documents and such other matters as may be reasonably requested by the Agent and the Agent's counsel;

(xxi) Policies or binders evidencing that insurance coverages are in effect with respect to the Mortgaged Property and the Institution, in accordance with the Insurance Requirements attached hereto as Exhibit C for which the premiums have been fully prepaid with endorsements satisfactory to the Agent;

(xxii) Evidence reasonably satisfactory to the Agent that no litigation or proceedings are pending or threatened against the Institution or the Guarantor which would or might cause a Material Adverse Change;

(xxiii) Originals (or copies certified to be true copies) of all Governmental Approvals necessary for the Institution to execute, deliver and perform with respect to this Agreement and the transactions contemplated hereby;

(xxiv) Copies of paid invoices satisfactory to Agent for Costs of the Project incurred prior to the Closing Date to be reimbursed from the Closing Disbursement;

(xxv) With respect to the Plans and Specifications for Residence 2 and Residence 3, a letter executed by the Architect confirming that the Institution owns the Plans and Specifications; and

(xxvi) Other agreements, documents or information as the Agent and Agent's counsel may reasonably request.

(d) There shall be no uncured event of default by the Institution under the Bonds or any Indebtedness owed to the Bank, the Agent or the Holder nor any event, circumstance or condition which with notice or passage of time or both would be an event of default thereunder.

### **5.3 Representations of the Issuer.**

The Issuer hereby represents and warrants to the Institution and the Holder as follows:

(a) The Issuer is a not-for-profit local development corporation duly organized and validly existing under the laws of the State and has (or at the relevant time or times had) full power and authority to (i) adopt the resolution approving the issuance and sale of the Series 2017 Bonds (the “*Bond Resolution*”), (ii) execute, deliver and perform its obligations under the Indenture, this Agreement and the other Financing Documents to which it is a party (the “*Issuer Documents*”), (iii) issue, sell and deliver the Series 2017 Bonds to the Holder as provided in this Agreement, and (iv) to make a loan of the proceeds of the Series 2017 Bonds to the Institution and all other transactions contemplated by each of the aforesaid documents.

(b) The Issuer has duly authorized (i) the execution and delivery of, and the due performance of its obligations under, this Agreement and the other Issuer Documents, and (ii) the taking of any and all actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by this Agreement and the other Issuer Documents.

(c) The Bond Resolution has been duly adopted by the Issuer and is in full force and effect. This Agreement has been duly authorized, executed and delivered by the Issuer and is, and when executed and delivered by the parties thereto, this Agreement and the other Issuer Documents will be, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

(d) The Series 2017 Bonds have been duly authorized and, when issued, authenticated by the Trustee, delivered and paid for by the Holder on the Closing Date in accordance with the terms of this Agreement, will constitute legal, valid and binding special obligations of the Issuer enforceable in accordance with their terms and entitled to the benefits and security of the Indenture, except as such enforceability may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting creditors’ rights and by general principles of equity.

(e) The adoption of the Bond Resolution, the execution and delivery by the Issuer of this Agreement, the Bonds and the other Issuer Documents and compliance with the provisions of the Bond Resolution and of this Agreement, the Series 2017 Bonds and the other Issuer Documents will not conflict with or constitute a breach of, or a default under, any indenture, commitment, agreement or other instrument to which the Issuer is a party or by which it or any of its property is bound, or any constitutional or statutory provision, rule, regulation, ordinance, judgment, order or decree to which the Issuer or any of its property is subject.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, grand jury, public board or body in which the Issuer has been served or of which it has otherwise received official notice or which, to the best knowledge of the Issuer after due inquiry, is threatened against the Issuer, nor to the best knowledge of the Issuer is there any basis therefor (i) which in any way questions the powers of the Issuer referred to in subparagraph (a) of this Section 5.3 or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Series 2017 Bonds, or (ii) wherein an unfavorable

decision, ruling or finding would adversely affect the transactions contemplated by this Agreement or by the Loan Agreement, or (iii) which in any way would adversely affect the validity or enforceability of the Series 2017 Bonds, the Bond Resolution, this Agreement or the other Issuer Documents.

(g) No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or entity not already obtained (other than any approvals that may be required under the State securities or Blue Sky laws of any jurisdiction, as to which no representation is made) is required with respect to the Issuer in connection with the issuance and sale of the Series 2017 Bonds, the execution and delivery by the Issuer of, or the performance by the Issuer of its obligations under, this Agreement and the other Issuer Documents, or the transactions contemplated hereby and thereby.

**5.4 Representations by and Covenants of the Holder.** The Holder represents to, and covenants and agrees with, the Institution and Issuer that:

(a) The Holder has had an opportunity to make such investigations and has had access to such information with respect to the Institution and its affairs and condition, financial and otherwise, which such Holder has deemed necessary in connection with and as a basis for the purchase of the Series 2017 Bonds, and any and all information relating to the Institution and its affairs which such Holder has requested has been provided to such Holder.

(b) The Holder has approved the Series 2017 Bonds and each of the Series 2017 Financing Documents, and such documents contain the terms agreed to by such Holder.

(c) The Holder is purchasing the Series 2017 Bonds (i) for its own account, for the purpose of investment and not with a present view to the distribution or resale thereof and (ii) not for the account of others. The Holder has not offered, offered to sell, offered for sale or sold the Series 2017 Bonds by means of any form of general solicitation or general advertising and will not sell the Series 2017 Bonds without registration under the applicable federal and state securities laws or an exemption therefrom. The Holder presently has no arrangement, written or oral, with any Person for the distribution, transfer or resale of the Series 2017 Bonds. The Holder agrees to notify the Issuer, the Trustee, the Agent and the Institution at least forty-five (45) days in advance in writing of any proposed transfer or resale of the Series 2017 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 Series 2017 Bonds under any applicable federal and state securities laws and does not have an adverse effect on the tax-exempt status of interest on the Series 2017 Bonds and (ii) a certificate of the purchaser of the Series 2017 Bonds to the effect that such purchaser has been provided with all requested disclosure information by the Institution. In the event such transfer is at the request of the Institution, the Institution shall pay all expenses incurred by such Holder, including, but not limited to, reasonable legal 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 Series 2017 Bonds is other than at the request of the Institution, the Holder of such Series 2017 Bonds will bear such costs and expenses.

(d) The Holder understands that (i) the Series 2017 Bonds being purchased shall be a special obligation of the Issuer payable solely from certain of the revenues and receipts of the Issuer pursuant to the Loan Agreement and the other security given for the payment of the Series 2017 Bonds and (ii) neither the Issuer nor the Institution has the power of taxation.

(e) The Holder 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 Series 2017 Bonds. It has received from the Institution and not the Issuer whatever information requested with respect to the Institution and the Project which it deems as a reasonable investor important in reaching its investment decision to purchase the Series 2017 Bonds. The Holder acknowledges that none of the Issuer, its counsel or Bond Counsel have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the Institution and that the Issuer, its counsel and Bond Counsel do not make any representations to such Holder with respect to the adequacy, sufficiency or accuracy of any financial statements and information or other information provided to such Holder or with respect to the ability of the Institution to pay the Series 2017 Bonds or fulfill its obligations with respect to the transactions contemplated in connection therewith. The Holder is not relying on any statements or representations by the Issuer with respect to (i) the financial condition of the Institution, (ii) the creditworthiness of the Institution, (iii) the competency or integrity of the management of the Institution, or (iv) the suitability of the Project for the Institution's business. The Holder 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 Trustee or the Holder on the Closing Date.

(f) The Holder understands that the Series 2017 Bonds have not been registered under the Securities Act of 1933, as amended or any state securities laws.

(g) The Holder is an "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended and is duly and validly organized under the laws of its jurisdiction of incorporation or organization. Such Holder can bear the economic risk of the purchase of the Series 2017 Bonds and has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Series 2017 Bonds on the basis of the information and review described in paragraph (e) above.

(h) The Holder considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Series 2017 Bonds.



## ARTICLE 6

### ADMINISTRATION EXPENSES; FEES; ACCOUNTS AND FUNDS

**6.1 Administration Expenses.** The Institution unconditionally agrees to pay all reasonable expenses actually incurred in respect of this Agreement and any and all other reasonable and actual fees owing to the Agent pursuant hereto or to the Credit Documents, and also including, without limiting the generality of the foregoing, all Bank Fees, all recording, filing and registration fees and charges, mortgage or documentary taxes, all insurance premiums, title insurance premiums and other charges of the Title Insurer, printing and photocopying expenses, survey fees and charges, cost of certified copies of instruments, cost of premiums on surety company bonds, charges of the Title Insurer or other escrow agent for administering Advances and disbursements, all fees and disbursements of the Agent's construction consultant, if any, all appraisal fees, reasonable insurance consultant's fees, travel related expenses and all reasonable costs and expenses incurred by the Agent in connection with the determination of whether or not the Institution has performed the obligations undertaken by it hereunder or has satisfied any conditions precedent to the obligations of the Holder hereunder and, if any default or Event of Default occurs hereunder or under any of the Credit Documents or any portion thereof is not paid in full when and as due, all reasonable costs and expenses of Agent (including, without limitation, court costs and attorneys' fees and disbursements) incurred in attempting to enforce payment of the obligations of the Institution hereunder and reasonable expenses of the Agent incurred (including court costs and attorneys' fees and disbursements) in attempting to realize, while a default or Event of Default exists, on any security or incurred in connection with the sale or disposition (or preparation for sale or disposition) of any security for the obligations of the Institution under this Agreement. The Institution agrees to pay all brokerage, finder or similar fees or commissions payable by the Institution in connection with the transactions contemplated hereby and shall indemnify and hold the Agent and the Holder harmless against all claims, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) arising in relation to any claim by broker, finder or similar person.

#### **6.2 Fees.**

(a) The Institution shall pay the reasonable attorneys' fees, plus necessary disbursements, of attorneys of the Agent and Holder, with respect to the preparation of this Agreement and the other Credit Documents, review and analysis of the Series 2017 Financing Documents, purchase of the Series 2017 Bonds and attendance at closing. The Institution agrees to pay reasonable fees and disbursements of attorneys to the Holder and the Agent incurred in connection with compliance with this Agreement, and the enforcement of the terms of the Series 2017 Bonds, this Agreement and the other Credit Documents.

(b) The Institution shall to pay the Agent an up-front fee (the "*Upfront Fee*") equal to \$26,350. The Upfront Fee shall be payable by the Institution to the Agent for the benefit of the Holder on the Closing Date and is fully earned by the Holder and non-refundable.

(c) Any fees payable by the Institution to the Agent or the Holder that are not paid when due shall bear interest, from the date such fees were due until the date of payment in full, at the Default Rate.

(d) The Institution hereby acknowledges that the Bank Fees are fees for the applicable services rendered, are supported by good, valuable and adequate consideration and shall not be refundable for any reason.

(e) The Institution agrees to reimburse the Agent for and pay to the Agent, upon demand, actual out-of-pocket costs incurred by the Agent in connection with review of Plans and Specifications, monitoring construction, title run-downs, cost analysis and inspections relating to the Construction of the applicable Project.

(f) The Institution agrees to pay to the Agent other reasonable fees and expenses incurred by the Agent, including costs incurred in connection with an amendment to this Agreement and express delivery charges.

**6.3 Expenses and Advances Secured by the Mortgage and the Security Agreement.** Any and all Advances or payments made by the Agent under this Article from time to time, and any amounts expended by the Agent pursuant to this Agreement, shall, as and when advanced or incurred, constitute additional indebtedness secured by the Mortgage and the Security Agreement.

**6.4 Right of Agent to Make Advances to Cure Defaults.** In the event that the Institution fails to perform any of the respective covenants, agreements or obligations contained in this Agreement, the Mortgagor any of the other Series 2017 Financing Documents (after the expiration of applicable grace periods, except in the event of an emergency or other exigent circumstances), the Agent may (but shall not be required to) perform any of such covenants, agreements and obligations, and any amounts expended by the Agent in so doing shall constitute additional Indebtedness secured by the Mortgage and the Security Agreement.

**6.5 Operating Account.** The Institution designated an existing account maintained with the Agent as its primary Operating Account for purposes of this Agreement and shall deposit all Gross Revenues into an Operating Account. The Agent is authorized to pay principal of, and interest and LIBOR Breakage Fee, if any, on, the Series 2017 Bonds, Late Charges, Obligations and Bank Fees, when and as the same shall become due, by debiting funds on deposit in the Operating Account.

## ARTICLE 7

### NET PAYMENTS

**7.1 Net Payments.** All payments under this Agreement shall be made without setoff or counterclaim and in such amounts as may be necessary in order that all such payments (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any government, any political subdivision or any taxing authority, other than any tax on or measured by the overall net income of a Holder pursuant to the income tax laws of the United States or the jurisdiction where the Holder's principal office is located (collectively, the "Taxes")) shall not be less than the amounts otherwise specified to be paid under this Agreement. A certificate as to any additional amounts payable to a Holder under this Section 7.1 shall be submitted to the Agent by the Holder and

shall show in reasonable detail the amount payable and the calculations used to determine in good faith such amount and shall be presumptively correct absent manifest error. The Agent shall promptly deliver such certificate to the Institution. Any amounts payable by the Institution under this Section 7.1 or Section 3.5(a)(i) or (ii) with respect to past payments shall be due within thirty (30) days following receipt by the Institution of such certificate from the Agent; any such amounts payable with respect to future payments shall be due concurrently with such future payments. With respect to each deduction or withholding for or on account of any Taxes or amounts due pursuant to or Section 3.5(a)(i) or (ii), the Institution shall promptly furnish to the Agent and the Holder such certificates, receipts and other documents as may be required (in the reasonable judgment of the Holder) to establish any tax credit to which the Holder may be entitled. Without in any way affecting any of its rights under this Section 7.1 or Section 3.5(a)(i) or (ii), the Holder agrees that, upon its becoming aware that any of the present or future payments due it under this Agreement or the Series 2017 Bonds would be subject to deduction for Taxes or amounts due pursuant to or Section 3.5(a)(i) or (ii), it will notify the Agent in writing and the Holder further agrees that it will use reasonable efforts not disadvantageous to it (in its sole determination) in order to avoid or minimize, as the case may be, the payment by the Institution of any additional amounts for Taxes pursuant to this Section 7.1 or amounts due pursuant to or Section 3.5(a)(i) or (ii). All sums which shall or may become due and payable by the Institution in accordance with the provisions of this paragraph shall be and shall under all circumstances be deemed to constitute a fee and not additional interest on the Series 2017 Bonds, shall be evidenced by this Agreement, shall be secured by the Mortgage, the Security Agreement and the other Credit Documents and shall constitute part of this Agreement.

**7.2 Default Rate.** Any payment not made when due hereunder shall, to the extent permitted by law, bear interest from the date due until paid in full at the Default Rate.

## ARTICLE 8

### REPRESENTATIONS AND WARRANTIES OF THE INSTITUTION

In order to induce the Holder to enter into this Agreement and to purchase the Series 2017 Bonds herein provided for, the Institution hereby represents and warrants to the Holder and the Agent that:

**8.1 Corporate Existence.** The Institution is a not-for-profit corporation duly incorporated and in good standing under the laws of the State of New York and has all requisite corporate power and authority to own its property and to carry on its business as now being conducted. The Institution is duly qualified to do business and is in good standing in every jurisdiction where the failure to so qualify would have a material adverse effect on the business of the Institution. The Institution is an organization, and has received a determination letter from the Internal Revenue Service issued to it (the "*Determination Letter*"), to the effect that it is a tax-exempt organization, exempt from Federal income tax under Section 501(a) of the Internal Revenue Code (the "*Code*") as an organization described in Section 501(c)(3) of the Code, which Determination Letter has not been adversely modified, limited or revoked. The Institution is in compliance with all terms and conditions of that Determination Letter. The facts and

circumstances which form the basis of the Determination Letter as represented to the Internal Revenue Service continue substantially to exist, and the Institution is not aware of any facts or circumstances that could cause a revocation of the Determination Letter. The Institution has not taken and will not take any actions that would jeopardize its status as a tax-exempt organization under Sections 501(a) and 501(c)(3) of the Code as long as this Agreement remains in effect.

**8.2 Power; Authorization; Enforceable Obligations.** The execution, delivery and performance of this Agreement and the Credit Documents to which it is a party by the Institution and the transactions contemplated thereby (i) are within the corporate powers of the Institution, have been duly authorized by all necessary corporate action and do not and will not contravene any provision of the law applicable to it; (ii) do not require any approval or consent of, or filing with, any Governmental Authority bearing on the execution, delivery, performance, validity or enforceability of such instruments and borrowings which is required by law or the regulation of any such authority, and are not in contravention of the terms of the Institution's certificate of incorporation, by-laws, or any amendments thereof; (iii) will not conflict with or result in any breach of or the creation of any lien under any indenture, agreement, lease, instrument or undertaking to which the Institution is a party or by which it may be bound; (iv) are and will be valid and legally binding obligations of the Institution and are and will be enforceable in accordance with the respective terms thereof except as limited by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting generally the enforcement of creditors' rights; and (v) will not render the Institution insolvent.

**8.3 Operating Certificate.** The Operating Certificate is in full force and effect, and the Institution is in compliance with all laws, regulations and rules applicable to the Operating Certificate and the operation of its facilities within the State.

**8.4 Litigation.** There is no litigation, counterclaim, investigation or administrative proceeding or proceeding in law or in equity or before any court, arbitrator, governmental instrumentality or other agency now pending or to the knowledge of the Institution, threatened against the Institution or the Mortgaged Property, which would, if adversely determined, cause a Material Adverse Change with respect to the Institution or the Mortgaged Property.

**8.5 No Default.** There is no Default or Event of Default under this Agreement, the Financing Documents, the other Credit Documents or the Bonds. The Institution is not (i) in material default under any indenture, contract, agreement or guaranty to which it is a party or by which it is bound; (ii) in violation of its certificate of incorporation as amended to date; (iii) in default with respect to any order, writ, injunction or decree of any court; or (iv) in default under any order or license of any federal or state governmental department, which default or violation in any of the aforesaid cases materially and adversely affects its business or property. There exists no condition, event or act which constitutes, or after notice or lapse of time or both would constitute, an Event of Default.

**8.6 Ownership of Property; Liens.** The Institution has good and marketable title to the Mortgaged Property, subject only to the Permitted Encumbrances. The Institution has good title to the Pledged Collateral, free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except Permitted Encumbrances. The Mortgage creates

a valid and prior lien or security interest in favor of the Agent in the Mortgaged Property, subject to no other liens or encumbrances arising by, through or under the Institution or any other person, except for Permitted Encumbrances.

**8.7 Taxes.** The Institution has filed or caused to be filed all tax returns which are required to be filed, and has paid all taxes shown to be due and payable on said returns or on any assessments received by it to the extent that such taxes have become due. There are no unpaid taxes in any amount claimed to be due by any taxing authority of any jurisdiction material to the Institution.

**8.8 Utilities.** The Mortgaged Property has adequate water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities, fire and police protection and means of access between the Mortgaged Property and public highways.

**8.9 No Condemnation Proceedings.** (i) No condemnation of any portion of the Mortgaged Property, (ii) no condemnation or relocation of any roadways abutting the Mortgaged Property, and (iii) no proceeding to deny access to the Mortgaged Property from any point of access thereto has commenced or, to the best of the Institution's knowledge, is contemplated by any Governmental Authority.

**8.10 ERISA.** The Institution is not a party in interest to any plan defined or regulated under ERISA, and the assets of the Institution are not "plan assets" of any employee benefit plan covered by ERISA or Section 4975 of the Code. No Reportable Event or Prohibited Transaction (as defined in Section 4975 of the Code) has occurred and is continuing with respect to any Plan and the Institution has not incurred any "accumulated funding deficiency" as such term is defined in Section 302 of ERISA, in each case that would have a material adverse effect on the Institution.

**8.11 Financial Condition.** The Institution has furnished financial statements to the Agent that are, to the best of the Institution's knowledge, true, complete and correct and fairly present the financial condition of the Institution as of their respective dates and the results of its operations for the respective periods then ended and, with the exception of quarterly reports, were prepared in accordance with GAAP consistently applied.

**8.12 Full Disclosure.** There is no fact, other than the facts set forth in the most recent financial statements of the Institution provided to the Agent, that the Institution has not specifically disclosed to the Agent that materially or adversely affects or, to the knowledge of the Institution, that will materially or adversely affect the properties, business, activities, tax-exempt status or condition (financial or otherwise) of the Institution or the ability of the Institution to perform its obligations under this Agreement or any Series 2017 Financing Document. All material liabilities of the Institution, contingent or otherwise, which are required to be shown in accordance with GAAP, are shown on such financial statements or have been disclosed to the Agent in writing.

**8.13 Investment Institution Act.** The Institution is not an "investment company" or a company "controlled" by an "investment company" within the meanings of the Investment Company Act of 1940, as amended.

**8.14 Public Utility Holding Institution Act Not Applicable.** The Institution is not a “holding company,” or a “subsidiary company” of a “holding company,” or an “affiliate” of a “holding company” or an “affiliate” of a “subsidiary company” of a “holding company,” as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

**8.15 No Financing of Corporate Takeovers.** None of the proceeds of the Series 2017 Bonds will be used to acquire any security in any transaction that is subject to Section 13 or 14 of the Securities Exchange Act of 1934.

**8.16 Use of Bond Proceeds.** The obligations of the Institution hereunder are not being made for the purpose of purchasing or carrying “margin stock” within the meaning of Regulation T, U or X issued by the Board of Governors of the Federal Reserve System, and the Institution agrees to execute all instruments necessary to comply with all the requirements of Regulation U of the Federal Reserve System.

**8.17 Insurance.** The Institution carries insurance with reputable insurers in respect of its property and liability insurance, in such amounts and against such risks as is customarily maintained by other entities of similar size engaged in similar business. Copies of all policies of insurance (or other evidence thereof satisfactory to the Agent) have been made available to the Agent for inspection.

**8.18 No Misrepresentations or Omissions.** Neither this Agreement nor any other document, certificate or statement furnished to the Agent or the Issuer by or on behalf of the Institution contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

**8.19 Subsidiaries.** The Institution does not have any Subsidiaries or Affiliates, does not control, directly or indirectly, or have any direct or indirect interest or investment in any person or entity and does not own, directly or indirectly, any shares of stock, partnership interests or any other securities of any other person or entity, except for readily marketable securities held or retained by the Institution in the ordinary course of business. The Institution has not made any loans to any other person or entity. The Institution has not guaranteed any obligations of any other person or entity.

**8.20 No Change in Name or Entity.** The Institution has not within the six (6) year period immediately preceding the date of this Agreement changed its name (other than the January 2006, name change from Upstate Home for Children, Inc. to Springbrook NY, Inc.), been the surviving entity of a merger or consolidation or acquired all or substantially all the assets of any other person or entity. The Institution does not conduct business under any name other than its corporate name.

**8.21 Licensing.** The Institution maintains all Governmental Approvals and Required Permits requisite to the operation of its business as currently conducted.

**8.22 Hazardous Materials.** (i) Except materials used in compliance with Environmental Laws in the course of construction, maintenance and operation of the Mortgaged Property, the Mortgaged Property is free of all Hazardous Material; (ii) neither the Institution nor, to the best knowledge of the Institution, any other person or entity has ever caused or

permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Mortgaged Property, or any part thereof, and the Mortgaged Property has never been used (whether by the Institution or, to the best knowledge of the Institution, by any other person or entity) for any activities involving, directly or indirectly, the use, generation, treatment, storage, transportation or disposal of any Hazardous Material except in material compliance with Environmental Laws; (iii) neither the Mortgaged Property nor the Institution are subject to any existing, pending or, to the best of the Institution's knowledge, threatened investigation or inquiry by any Governmental Authority, and the Mortgaged Property is not subject to any remedial obligations under any applicable Environmental Laws with respect to any alleged violation of Environmental Laws; and (iv) there are no underground tanks, vessels or similar facilities for the storage, containment or accumulation of Hazardous Material of any sort on or affecting the Mortgaged Property.

**8.23 Offering of Series 2017 Bonds.** Neither the Institution nor any agent acting on the Institution's behalf has taken or will take any action which would subject the issuance of the Series 2017 Bonds to the qualification or registration provisions of the Securities Act of 1933, as amended, or which would cause the offer or sale of the Series 2017 Bonds not to be made in compliance with the provisions of any securities or Blue Sky law of any applicable jurisdiction.

**8.24 Legal Requirements.** The contemplated use of the Initial Project will not violate (i) any Laws (including subdivision, zoning, building, environmental protection and wetland protection Laws), or (ii) any building permits, restrictions of record or agreements affecting the Mortgaged Property or any part thereof ((i) and (ii) collectively, "*Legal Requirements*"). All Governmental Approvals required for the operation of the Mortgaged Property will be obtained prior to the Closing Date or when required by applicable Legal Requirements, and all Laws relating to the operation of the Mortgaged Property have been complied with.

**8.25 Indebtedness.** The Institution does not have outstanding on the date hereof any Indebtedness for borrowed money, except for such Indebtedness reflected on the financial statements referred to in Section 8.11 hereof.

**8.26 Obligations.** Subsequent to the date of the financial statements referred to in Section 8.11 hereof, the Institution has not incurred any liabilities or obligations, direct or contingent, not in the ordinary course of business, and there has not been any increase in the aggregate amount of Indebtedness of the Institution (except in connection with the issuance of the Series 2017 Bonds and the line of credit made available by the Agent on the date hereof), or any change in the business, properties or condition, financial or otherwise, of the Institution, except for changes arising in the ordinary course of business or in connection with the issuance and sale of the Series 2017 Bonds or as may be otherwise disclosed in writing to the Agent prior to the date hereof.

**8.27 Survival of Representations and Warranties.** The Institution agrees that all of the representations and warranties set forth herein and elsewhere in this Agreement are true as of the date hereof, will be true at the Closing Date and, except for matters which have been disclosed by the Institution and approved by the Agent in writing, at all times thereafter.

## ARTICLE 9

### THE INSTITUTION'S COVENANTS AND AGREEMENTS

The Institution further covenants and agrees that, except as otherwise consented to by the Agent in writing, from the date of this Agreement and until the obligations of the Institution to the Agent hereunder are satisfied in full, it will comply with the following provisions:

**9.1 Tax Exemption.** The Institution shall (a) not take any action not consistent with the maintenance of tax exemption of interest on the Series 2017 Bonds under the Code, and (b) file or cause to be filed with each appropriate governmental agency any and all statements or other instruments, if any, required under Section 103 of the Code, including the regulations thereunder, to be filed with such agency in order that the interest on the Series 2017 Bonds continues to be generally excludible from the gross income of the registered owners thereof for federal income tax purposes.

**9.2 Reporting Requirements.** The Institution covenants that the financial statements, including balance sheets referred to in this Section, and any other written statement furnished by the Institution to the Holder or the Agent will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. The Institution covenants and agrees that, from the date of this Agreement and until the obligations of the Institution to the Holder and the Agent hereunder and under the Series 2017 Bonds are satisfied in full, it will furnish to the Agent the following:

(a) As soon as available and, in any event, within one hundred fifty (150) days after the end of each Fiscal Year, audited combined and combining financial statements of the Institution as of the end of such year, including a balance sheet, income statement and statements of cash flows and changes in financial position and/or changes in fund balances, as applicable, of the Institution for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on, and prepared in accordance with GAAP, consistently applied, by the Accountant, whose report shall state that such financial statements present fairly the Institution's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year;

(b) As soon as available and, in any event, within forty-five (45) days after the end of each fiscal quarter, unaudited combined and combining financial statements as of the end of such three (3) months, prepared in accordance with GAAP, consistently applied;

(c) Promptly upon receipt by the Institution of its Accountant's management letter, the Institution will forward a copy of such management letter to the Agent and a summary of the report of litigation matters and/or other opinion(s) of counsel delivered to the Accountant by counsel to the Institution;

(d) Simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of an Authorized Representative of the Institution who is the principal financial or accounting officer, substantially in the form of Exhibit E attached hereto (i) presenting the calculation of Debt Service Coverage Ratio,



(ii) stating whether there exists on the date of such certificate any Event of Default or event which with notice or lapse of time or both would constitute an Event of Default and, if any Event of Default or such event then exists, setting forth the details thereof and the action that the Institution is taking or proposes to take with respect thereto, and (iii) for the quarters ending June 30 and December 31 of each Fiscal Year stating that the Institution is in compliance with Section 9.38 hereof and the balance of unrestricted cash, deposits and cash-equivalent investments as of June 30 and December 31 of such Fiscal Year;

(e) Within thirty (30) days after submittal, copies of any and all financial and tax reporting submitted by or on behalf of the Institution to the Internal Revenue Service, the New York State Attorney General, the State Education Department, OPWDD, OCFS and/or any other regulatory agencies;

(f) Within thirty (30) days prior to the end of each Fiscal Year, an operating budget for the Institution and Mortgaged Property;

(g) Promptly, notice of any development, financial or otherwise, which may be reasonably expected to affect adversely the business, Mortgaged Property, affairs or prospects of the Institution; and

(h) Promptly after request, such other information (financial or otherwise) as the Agent reasonably may request from time to time, including without limitation occupancy levels for the Mortgaged Property and projected operating statements for the Mortgaged Property for a rolling five (5) year basis.

**9.3 Payment of Obligations.** The Institution shall pay, as they become due, all of its valid and lawful obligations in accordance with all normal business practices and in accordance with all normal terms.

**9.4 Insurance.** The Institution shall maintain insurance as set forth in Exhibit C attached hereto.

**9.5 Notices.** The Institution shall promptly give notice to the Agent (a) of the occurrence of any Event of Default hereunder, (b) of any event of default under any material instrument or other agreement of the Institution, (c) of any litigation, proceeding, investigation or dispute which may exist at any time affecting the Institution or the Guarantor which might have a material adverse effect upon the business, prospects, operations, assets or condition, financial or otherwise, of the Institution or the Guarantor and (d) of any material alterations in the nature of its business and any material change in management of the Institution or the Guarantor.

**9.6 Conduct of Business and Maintenance of Existence.** The Institution shall preserve in full force and effect its New York not-for-profit existence and solvency, and comply with all Laws applicable to it. The Institution shall maintain and protect all permits, licenses, franchises and trade names and preserve all of its assets used or usable in the conduct of its business and keep the same in good repair and working order. The Institution shall maintain the Operating Certificate and all other Governmental Approvals necessary to operate the Mortgaged Property as a private residential school.

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

**9.8 ERISA.** The Institution shall maintain compliance with all provisions and regulations of ERISA, as amended, and published interpretations thereunder.

**9.9 Payment of Taxes, etc.** The Institution shall pay all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, when due, which, if unpaid, might become a lien or charge upon any of its properties, *provided that* it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

**9.10 Organizational Documents.** The Institution shall not, without the prior written consent of the Agent, permit or suffer (a) a material amendment or modification of its organizational documents, (b) the admission of any new member, partner or shareholder, or (c) any dissolution or termination of its existence.

**9.11 Furnishing Reports.** Upon the Agent's request, the Institution shall provide the Agent with copies of all inspections, reports, test results and other information received by the Institution which in any material way relate to the Mortgaged Property or any part thereof.

**9.12 Indemnification.** The Institution shall indemnify the Holder, the Agent and their respective officers, directors, employees and consultants (each, an "*Indemnified Party*") and defend and hold each Indemnified Party harmless from and against all claims, injury, damage, loss and liability, cost and expense (including reasonable attorneys' fees, costs and expenses) of any and every kind to any persons or property by reason of (a) the construction of the Project or the operation or maintenance of the Mortgaged Property; (b) any breach of representation or warranty, default or Event of Default under this Agreement, the Series 2017 Financing Documents or any Credit Document; or (c) any other matter arising in connection with, the Series 2017 Bonds, the Credit Documents, the Institution or the Mortgaged Property. No Indemnified Party shall be entitled to be indemnified against its own gross negligence or willful misconduct.

**9.13 Authorized Representative.** The Institution hereby notifies the Agent on the Closing Date that it appoints each of Patricia E. Kennedy and Wade Harmon, acting individually as its Authorized Representative for purposes of dealing with the Agent on behalf of the Institution in respect of any and all matters in connection with this Agreement, the Series 2017 Bonds, the Credit Documents and the obligations of the Institution hereunder and thereunder. The Authorized Representative shall have the power, in his/her discretion, to give and receive all notices, moneys, approvals and other documents and instruments, and to take any other action on behalf of the Institution. All actions by the Authorized Representative shall be final and binding on the Institution. The Agent may rely on the authority given to the Authorized Representative until actual receipt by the Agent of a duly authorized resolution substituting a different person as the Authorized Representative. No more than one person shall serve as Authorized Representative of the Institution at any given time for purposes of this Section.

**9.14 Compliance with Laws.** The Institution shall comply with all applicable requirements (including applicable Laws) of any Governmental Authority having jurisdiction over the Institution or the Project.

**9.15 Mergers; Consolidation.** The Institution will not merge or consolidate with any Person, dissolve, wind up its affairs or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person.

**9.16 Litigation; Adverse Changes.** The Institution will promptly notify the Agent in writing of (a) any event which, if existing at the date hereof, would require qualification of the representations and warranties set forth herein in any material respect; (b) any Material Adverse Change in the business, prospects, operations, assets or condition, financial or otherwise, of the Institution or the Guarantor and any other Material Adverse Change of which the Institution has actual knowledge; and (c) the commencement of any proceeding against the Institution, the Guarantor or its property seeking damages in excess of \$10,000.

**9.17 Sale, Purchase of Assets.** The Institution will not, directly or indirectly, (a) purchase, lease, or otherwise acquire any tangible assets except supplies and similar tangible assets in the ordinary course of business and not constituting capital expenditures under GAAP; or (b) sell, lease, transfer or otherwise dispose of any tangible assets, except for (i) tangible assets sold for full and adequate consideration which an executive officer of the Institution identified to the Agent has determined to be worn out, obsolete or no longer needed or useful in its business, and (ii) tangible assets sold in the ordinary course of business, *provided that* the Institution receives full and adequate consideration in exchange for such assets sold. Notwithstanding anything to the contrary stated above, in any instance when the Institution determines in good faith that any tangible asset shall have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary or should otherwise be replaced, the Institution may remove such items, *provided that* the Institution, in connection therewith, (x) may remove, without substitution or payment, and without the Agent's prior written consent, tangible assets not in excess of \$25,000 annually in the aggregate; or (y) may substitute and install other tangible assets having equal or greater value (but not necessarily the same function) in the operation of the Institution's business.

**9.18 Other Mortgages, Security Interests and Liens.** The Institution will not, directly or indirectly, create, incur, assume or permit to exist any mortgage, security interest, lien, charge, encumbrance on, transfer or pledge or deposit of, or conditional sale or other title retention agreement with respect to, any property or asset (including, but not limited to, the Pledged Collateral) of the Institution now owned or hereafter acquired other than the Permitted Encumbrances and other than to secure Indebtedness incurred pursuant to Section 9.19(c) or (e) hereof.

**9.19 Borrowed Money.** The Institution will not, directly or indirectly, create, incur or assume Indebtedness, or otherwise become, be or remain liable with respect to, any Indebtedness, *provided that* the foregoing restrictions shall not apply to:

(a) the Indebtedness evidenced hereunder and any other Indebtedness now or hereafter payable by the Institution to the Agent, the Bank or Citizens Funding Corp. or any Affiliate of the Agent, the Bank or Citizens Funding Corp.;

(b) the Indebtedness of the Institution evidenced by this Agreement and the Series 2017 Bonds;

(c) the Indebtedness approved by OPWDD for one hundred percent (100%) reimbursement by OPWDD of aggregate debt service thereof;

(d) up to \$300,000 in aggregate unsecured Indebtedness incurred by the Institution each Fiscal Year; or

(e) up to \$500,000 under a line of credit with GMAC or another lender for the purchase of motor vehicles.

**9.20 Assumptions; Guaranties.** The Institution will not assume, guarantee, endorse or otherwise become directly or contingently liable for (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in any debtor or otherwise to assure the creditor against loss) any financial obligation or Indebtedness of any other Person, except guaranties by endorsement of negotiable instruments for deposit, collection or similar transactions in the ordinary course of business, and except to the extent otherwise permitted herein.

**9.21 Payment of Bonds.** The Institution shall pay principal of and premium, if any, LIBOR Breakage Fee and interest on the Series 2017 Bonds.

**9.22 Subordinated Debt.** The Institution will not make any payment of debt which has been subordinated to debt owed to the Holder, except in such manner and amounts as may be expressly authorized in any subordination agreement presently or hereafter held by the Holder.

**9.23 Debt Service Coverage Ratio.** The Institution will maintain a Debt Service Coverage Ratio of at least 1.10 to 1.0. Compliance with this Debt Service Coverage Ratio covenant will be tested quarterly on a rolling four quarter basis on the basis of the Institution's financial statements for the current and three preceding fiscal quarters.

**9.24 Reserves.** Other than funds and accounts required to be maintained with the Trustee pursuant to the Indenture, the Institution shall maintain all its reserve accounts, including debt service, operating and replacement reserves relating to the Mortgaged Property, with the Agent.

**9.25 Relationship Banking.** The Institution shall maintain its primary banking relationship with the Agent including all its operating accounts and deposits for its operations, corporate credit cards, merchant services, cash management services and substantially all of its other deposit accounts.

**9.26 Other Covenants.** The Institution shall at all times perform and observe in all respects, for the benefit of the Holder as independent obligations, each of the covenants, terms and conditions contained in the Loan Agreement, to the extent they apply to the Institution, as if each were set forth in this Agreement in full.

**9.27 Maintenance of Security.** The Agent, at the Institution's expense, may take all necessary action to maintain and preserve the Lien created by the Series 2017 Financing Documents or the Credit Documents in accordance with the terms thereof so long as any amount is owing under the Series 2017 Bonds or this Agreement.

**9.28 Environmental Provisions.** The Institution shall cause the Mortgaged Property and the Land to be kept free of Hazardous Material except as may be permitted by applicable Laws. The Institution shall comply with and ensure compliance by all clients, tenants and occupants with all applicable Laws, whenever and by whomever triggered, and with administrative or consent orders issued by Governmental Authorities, and shall obtain and comply with, and insure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Institution shall (a) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Material on, from, or affecting any of the Mortgaged Property (i) in accordance with all applicable Laws, and (ii) in accordance with the orders and directives of all Governmental Authorities; (b) defend, indemnify and hold harmless the Holder, the Agent, their employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to (i) the presence, disposal, release or threatened release of any Hazardous Material which is on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise of, under, on or arising with respect to the Mortgaged Property, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material of, under, on or arising with respect to the Mortgaged Property, (iii) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Material, and/or (iv) any violation of applicable Laws or any policies or requirements of the Agent of which the Institution has received written notice, which are based upon or in any way related to such Hazardous Material, including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses; and (c) promptly furnish to the Agent all notices of any kind which it may receive from, or is required to provide to, any Governmental Authority with respect to Hazardous Material affecting any of the Mortgaged Property.

**9.29 Licensing.** The Institution shall maintain all necessary approvals from any Governmental Authority required to lawfully conduct the operation of its business.

**9.30 Appraisal.** If the Agent is required by any Governmental Authority to obtain an appraisal of the Mortgaged Property, the Institution shall pay the reasonable cost of such appraisal.

**9.31 Conversion to A Different Interest Rate Mode.** All Series 2017 Bonds shall bear interest at the Bank Purchase Rate until the first Conversion Date. The Institution may direct the Issuer to convert the rate of interest payable on all but not less than all of the Series 2017 Bonds from the Bank Purchase Rate to another Interest Rate Mode at any time after the Completion Date of all of the Residences and the Network Project. In addition to satisfaction of the conditions set forth in the Indenture, the Institution will not permit the Conversion of any Series 2017 Bonds to another Interest Rate Mode unless (a) the Institution has obtained and there is in effect a written firm commitment in customary form to purchase all of the Series 2017 Bonds to be so converted not less than seven (7) Business Days prior to the proposed Conversion Date from the Remarketing Agent or other purchaser, underwriter or underwriters reasonably satisfactory to the Agent providing for the purchase of all of the Series 2017 Bonds by 12:00 noon (New York time) on such Conversion Date (b) unless the Agent otherwise agrees, all Series 2017 Bonds due and owing shall have been paid and fully satisfied and the Institution shall have complied with Section 3.7. The Institution shall not convert from the Bank Purchase Rate less than all of the Series 2017 Bonds then Outstanding.

**9.32 Maintenance of Mortgaged Property.** The Institution shall keep the Mortgaged Property in good condition and repair, ordinary wear and tear excepted.

**9.33 Further Assurances.** The Institution will cooperate with the Agent and execute, acknowledge (if appropriate) and deliver such further instruments and documents, and take such other action as the Agent shall reasonably request to carry out to its satisfaction the transactions contemplated by this Agreement and the Credit Documents.

**9.34 Liquidity Covenant.** The Institution covenants that it will maintain on a consolidated basis unrestricted cash, unrestricted deposits and other cash-equivalent unrestricted investments satisfactory to the Agent of at least \$750,000 as of June 30 and December 31 of each Fiscal Year.

### **9.35 Interest Rate Protection**

(a) Within three (3) Business Days after the Closing Date, the Institution shall institute an interest rate hedging program with respect to the Series 2017A Bonds and the Series 2017C Bonds through the purchase of swap agreement from the Agent, an Affiliate of the Agent or another swap provider reasonably acceptable to the Agent. The swap agreement will have a minimum term of 10 years and will be on such other terms and conditions as are reasonably acceptable to the Agent. The Institution shall enter into the Agent's customary form of Secured Hedge Agreement or such other swap provider's customary form of agreement relating to such swap agreement. Any Indebtedness incurred pursuant to an Secured Hedge Agreement entered into by the Institution and the Agent shall constitute indebtedness secured by the Mortgage and

the other Credit Documents to the same extent and effect as if the terms and provisions of such Secured Hedge Agreement were set forth therein. In the event the Series 2017A Bonds and the Series 2017C Bonds are transferred by the Holder, the Institution shall no later than the effective date of transfer of the Bonds either terminate the applicable Secured Hedge Agreement or cause the Agent's rights as counterparty thereunder to be assigned to another provider or counterparty.

(b) The Institution hereby collaterally assigns to the Agent any and all Secured Hedge Agreements or third party swap agreements purchased or to be purchased by the Institution in connection with the Series 2017A Bonds and the Series 2017C Bonds, as additional security for the Obligations, and agrees to provide the Agent with any additional documentation requested by the Agent in order to confirm or perfect such security interest during the term of the Series 2017A Bonds and the Series 2017C Bonds. If the Institution obtains an interest rate hedging agreement or arrangement from a party other than the Agent, the Institution shall deliver to the Agent such third party's consent to such collateral assignment. No interest rate hedging agreement or arrangement purchased from a third party may be secured by an interest in the Mortgaged Property or Gross Revenues.

## ARTICLE 10

### DEFAULT AND REMEDIES

**10.1 Event of Default.** The occurrence of any one or more of the following events shall constitute an "*Event of Default*" as said term is used herein:

(a) Failure (i) of the Institution to make any payment of principal or interest when due, on the Series 2017 Bonds or any Secured Hedge Agreement related thereto, or (ii) of the Institution or of the Guarantor to observe or perform any of the other covenants or conditions by the Institution or the Guarantor to be performed under the terms of this Agreement, the Series 2017 Bonds, the Secured Hedge Agreement, the Series 2017 Financing Documents or any Credit Document concerning the payment of money, for a period of ten (10) days after written notice from the Agent that the same is due and payable; or (ii) of the Institution or of the Guarantor for a period of thirty (30) days after written notice from the Agent, to observe or perform any non-monetary covenant or condition contained in this Agreement, the Series 2017 Bonds, the Secured Hedge Agreement, the Series 2017 Financing Documents or any Credit Document; *provided that* if any such failure concerning a non-monetary covenant or condition is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, then the Institution or the Guarantor, as the case may be, shall have an additional thirty (30) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as the Institution or Guarantor commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting 60 day period from the date of the Agent's notice; *provided further* that if a different notice or grace period is specified under any other subsection of this Article with respect to a particular breach, or if another subsection of this Article applies to a particular breach and does not expressly provide for a notice or grace period, the specific provision shall control.

(b) If any representation or warranty or statement made or deemed made by the Institution in this Agreement or which is contained in any certificate, document, financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been false or misleading in any material respect when made.

(c) Any breach or default following applicable notice and cure periods of any payment with respect to any Indebtedness or guaranty of the Institution, when due, or the performance of any other obligation of the Institution incurred in connection with any Indebtedness or guaranty.

(d) The Institution or the Guarantor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of any of its assets; (ii) admit in writing its inability to pay its debts as they mature; (iii) make a general assignment for the benefit of creditors; (iv) be adjudicated bankrupt or insolvent; or (v) file a voluntary petition in bankruptcy, or a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation by law or statute, or an answer admitting the material allegations of a petition filed against the Institution in any proceeding under any such law or the filing of an involuntary bankruptcy against the Institution, or if corporate action shall be taken by the Institution for the purpose of effecting any of the foregoing.

(e) An order, judgment or decree shall be entered, without the application, approval or consent of the Institution or the Guarantor, by any court of competent jurisdiction, approving a petition seeking reorganization of the Institution or the Guarantor, or of all or a substantial part of any of its respective properties or assets or appointing a receiver, trustee or liquidator of the Institution or the Guarantor and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) days.

(f) The Institution shall become an “investment company” within the meaning of the Investment Company Act of 1940, as the same may be amended from time to time/

(g) A Reportable Event shall occur under ERISA.

(h) An Event of Default occurs with respect to any of the Credit Documents or Series 2017 Financing Documents.

(i) The Institution shall cease to conduct business or shall be dissolved.

(j) The occurrence of a Material Adverse Change.

(k) The liens created by any of the Credit Documents shall for any reason cease to be valid, perfected security interests or mortgage liens of the required priority in favor of the Agent (except with respect to UCC filings that have lapsed because the Agent has failed to timely file a continuation statement).



(l) The disapproval by the Agent at any time of any Construction work and failure of the Institution to cause the same to be corrected to the satisfaction of the Agent within the cure period provided in Section 10.1(a)(ii) above.

(m) A delay in any Commencement Date, a delay in the Construction or a discontinuance for a period of thirty (30) days after written notice from the Agent concerning such delay or discontinuance (other than Unavoidable Delays), or in any event a delay in the Construction so that the same is not, in the Agent's judgment, likely to be completed on or before the Completion Date.

(n) The bankruptcy or insolvency of a Contractor and failure of the Institution to procure a contract with a new contractor satisfactory to the Agent within sixty (60) days from the occurrence of such bankruptcy or insolvency.

(o) A default under any Indebtedness owed to the Holder, the Bank or the Agent, now or in the future.

(p) The failure of the Institution to maintain the Operating Certificate and any and all other Governmental Approvals required to operate the Mortgaged Property.

(q) While the Bonds bear interest at the Bank Hold Rate or the Bank Purchase Rate, the failure of the Holder to receive the Purchase Price therefor.

**10.2 Remedies.** Upon the occurrence of any Event of Default, the Agent may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

(a) Declare the obligations of the Institution hereunder to be forthwith due and payable and the same shall thereupon become immediately due and payable without demand, presentment, protest or further notice of any kind, all of which are hereby expressly waived;

(b) Withhold further approval of requests for Advances or other moneys on deposit with the Agent;

(c) Use and apply any moneys or letter of credit deposited by the Institution with the Agent, regardless of the purposes for which the same was deposited, to cure any such default or to apply on account of any indebtedness under this Agreement which is due and owing to the Agent;

(d) Notify the Trustee that an Event of Default has occurred and instruct the Trustee to accelerate the Series 2017 Bonds; and/or

(e) Exercise or pursue any other remedy or cause of action permitted under this Agreement or any Credit Documents, or conferred upon the Agent by operation of Law and, while the Series 2017 Bonds bear interest at the Bank Purchase Rate or the Bank Hold Rate, tender the Series 2017 Bonds for purchase.

**10.3 Remedies Not Exclusive.** No failure by the Trustee, the Agent or any Holder to exercise and no delay in exercising, and no course of dealing with respect to, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No remedy conferred upon or reserved to the Agent and/or the Holder by this 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 Agent and/or the Holder now or hereafter existing at law or in equity or by statute or otherwise pursuant to any other Series 2017 Financing Documents.

## ARTICLE 11

### CASUALTY AND CONDEMNATION

#### 11.1 Holder's Election to Apply Proceeds on Indebtedness.

(a) Subject to the provisions of Section 11.1(b) below, the Agent, on behalf and for the benefit of the Holder, may elect following casualty or condemnation of the Mortgaged Property that the Series 2017 Bonds be redeemed and that all proceeds of insurance or condemnation (individually and collectively referred to as "*Insurance Proceeds*"), after deduction of all expenses of collection and settlement, including attorneys' and adjusters' fees and charges, be applied to redeem the Series 2017 Bonds. The Agent is hereby authorized by the Institution to direct the Trustee to effect such a redemption of the Series 2017 Bonds. Any Insurance Proceeds remaining after redemption of all of the Series 2017 Bonds and the Initial Bonds and payment of all amounts due and owing under the Indenture shall be applied by the Agent to any unpaid Obligations and any surplus remaining paid to the Institution.

(b) Notwithstanding anything in Section 11.1(a) to the contrary, in the event of any casualty to the Mortgaged Property or any condemnation of part of the Mortgaged Property, the Holder agrees to allow the Institution to use the Insurance Proceeds to restore the Mortgaged Property if (i) no Event of Default exists, (ii) all Insurance Proceeds are deposited with the Trustee, (iii) in the Agent's reasonable judgment, the amount of Insurance Proceeds available for restoration of the Mortgaged Property is sufficient to pay the full and complete costs of such restoration, (iv) if the cost of restoration exceeds ten percent (10%) of the original aggregate amount of Series 2017 Bond proceeds, in the Agent's sole determination after completion of restoration, the outstanding principal amount of the Series 2017 Bonds at the Bank Purchase Rate or Bank Hold Rate will not exceed seventy-five percent (75%) of the fair market value of the Mortgaged Property, (v) in the Agent's reasonable determination, the Mortgaged Property can be restored to an architecturally and economically viable project in compliance with applicable Laws, and (vi) such restoration and application of Insurance Proceeds is permitted under the Indenture and the Tax Regulatory Agreement.

#### 11.2 The Institution's Obligation to Rebuild and Use Bond Proceeds Therefor.

In the event the Holder do not elect the early redemption of the Series 2017 Bonds, as provided in Section 11.1(a) above, the Institution shall promptly proceed with the

assumption of reconstruction of the Mortgaged Property, including the repair of all damage resulting from such casualty, condemnation or other cause and restoration to the extent reasonably practicable to its former condition.

## ARTICLE 12 ASSIGNMENTS BY THE INSTITUTION

**12.1 Prohibition of Assignments and Transfers by the Institution.** The Institution shall not assign or attempt to assign its rights under this Agreement and any purported assignment shall be void. Without the prior written consent of the Agent, on behalf and for the benefit of the Holder, in the Holder's sole discretion, the Institution shall not suffer or permit (a) the Mortgaged Property to be managed by any Person other than the Institution, or (b) any Transfer.

**12.2 Prohibition of Transfers in Violation of ERISA.** In addition to the prohibitions set forth in Section 12.1 above, the Institution shall not assign, sell, pledge, encumber, transfer, hypothecate or otherwise dispose of its interest or rights in this Agreement or in the Mortgaged Property, or attempt to do any of the foregoing or suffer any of the foregoing, nor shall any party owning a direct or indirect interest in the Institution assign, sell, pledge, mortgage, encumber, transfer, hypothecate or otherwise dispose of any of its rights or interest (direct or indirect) in the Institution, attempt to do any of the foregoing or suffer any of the foregoing, if such action would cause the obligations of the Institution hereunder, or the exercise of any of the Holder's rights in connection therewith, to constitute a prohibited transaction under ERISA or the IRC or otherwise result in the Holder being deemed in violation of any applicable provision of ERISA. The Institution agrees to indemnify and hold the Agent and the Holder free and harmless from and against all losses, costs (including reasonable attorneys' fees and expenses), taxes, damages (including consequential damages) and expenses they may suffer by reason of the investigation, defense and settlement of claims and in obtaining any prohibited transaction exemption under ERISA necessary or desirable in the Agent's sole judgment or by reason of a breach of the foregoing prohibitions. The foregoing indemnification shall be a recourse obligation of the Institution and shall survive repayment of the Obligations of the Institution hereunder, notwithstanding any limitations on recourse contained herein or in any of the Credit Documents.

**12.3 Assignments and Participations.** The Holder may from time to time sell the Series 2017 Bonds and the Credit Documents (or any interest therein) and may grant participations in the draw down loan facility granted hereunder. The Institution agrees to cooperate with the Holder's efforts to do any of the foregoing and to execute all documents reasonably required by the Holder or the Agent in connection therewith which do not materially adversely affect the Institution's rights under the Credit Documents or the Series 2017 Financing Documents and do not impose any additional material monetary obligations on the Institution.

**12.4 Successors and Assigns.** Subject to the foregoing restrictions on transfer and assignment contained in this Article, this Agreement shall inure to the benefit of and shall be binding on the Institution and its successors and permitted assigns

## ARTICLE 13

### GENERAL PROVISIONS

**13.1 Captions.** The captions and headings of various Articles, Sections and subsections of this Agreement and Exhibits pertaining hereto are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions hereof.

**13.2 Modification; Waiver.** No modification, waiver, amendment or discharge of this Agreement or any other Credit Document shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment or discharge is sought.

**13.3 Governing Law.** Irrespective of the place of execution and/or delivery, this Agreement shall be governed by, and shall be construed in accordance with, federal law applicable to the Agent, and to the extent not preempted by federal law, the laws of the State of New York.

**13.4 Acquiescence Not to Constitute Waiver of the Requirements of the Agent or the Holder.** Each and every covenant and condition for the benefit of the Agent or the Holder contained in this Agreement may be waived by the Agent, *provided, however*, that to the extent that the Agent or the Holder may have acquiesced in any noncompliance with any construction or non-construction conditions precedent to the approval of a request for an Advance, such acquiescence shall not be deemed to constitute a waiver by the Agent or the Holder of such requirements with respect to any future Advances.

**13.5 Disclaimer by the Agent and Holder.** This Agreement is made for the sole benefit of the Institution, the Holder and the Agent, and no other person or persons shall have any benefits, rights or remedies under or by reason of this Agreement, or by reason of any actions taken by the Agent or the Holder pursuant to this Agreement. Neither the Agent nor the Holder shall be liable to any contractors, subcontractors, supplier, architect, engineer, resident, student or other party for labor or services performed or materials supplied in connection with the Construction. Neither the Agent nor the Holder shall be liable for any debts or claims accruing in favor of any such parties against the Institution or others or against any Project. The Holder, by establishing the draw down loan facility evidenced by the Series 2017 Bonds or taking any action pursuant to any of the Credit Documents, shall not be deemed a partner or a joint venturer with the Institution or fiduciary of the Institution. No payment of funds directly to a contractor or subcontractor or provider of services shall be deemed to create any third-party beneficiary status or recognition of same by the Agent or the Holder. Without limiting the generality of the foregoing:

(a) Neither the Agent nor the Holder shall have liability, obligation or responsibility whatsoever with respect to the Construction. Any inspections of the Construction made by or through the Agent are for purposes of administration of the Advances and disbursements of other moneys only and the Institution is not entitled to rely upon the same with

respect to the quality, adequacy or suitability of materials or workmanship, conformity to the Plans and Specifications, state of completion or otherwise;

(b) The Agent neither undertakes nor assumes any responsibility or duty to the Institution to select, review, inspect, supervise, pass judgment upon or inform the Institution of any matter in connection with any Project, including matters relating to the quality, adequacy or suitability of (i) the Plans and Specifications, (ii) architects, contractors, subcontractors and material suppliers employed or utilized in connection with the Construction, or the workmanship of or the materials used by any of them, or (iii) the progress or course of Construction and its conformity or nonconformity with the Plans and Specifications; the Institution shall rely entirely upon its own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information to the Institution by the Agent in connection with such matters is for the protection of the Agent and the Holder only, and neither the Institution nor any third party is entitled to rely thereon; and

(c) Neither the Agent nor the Holder owes any duty of care to protect the Institution against negligent, faulty, inadequate or defective building or construction.

**13.6 Partial Invalidity; Severability.** If any of the provisions of this Agreement, or the application thereof to any person, party or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**13.7 Definitions Include Amendments.** Definitions contained in this Agreement which identify documents, including, but not limited to, the Credit Documents and the Series 2017 Financing Documents, shall be deemed to include all amendments and supplements to such documents from the date hereof; and all future amendments and supplements thereto entered into from time to time to satisfy the requirements of this Agreement or otherwise with the consent of Agent and the Holder. Reference to this Agreement contained in any of the foregoing documents shall be deemed to include all amendments and supplements to this Agreement.

**13.8 Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

**13.9 Entire Agreement.** This Agreement, taken together with the Series 2017 Bonds and all of the other Series 2017 Financing Documents and Credit Documents, embody the entire agreement and supersede all prior agreements, written or oral, relating to the subject matter hereof.

**13.10 Waiver of Damages.** In no event shall the Agent or the Holder be liable to the Institution for punitive, exemplary or consequential damages, including, without limitation, lost profits, whatever the nature of a breach by the Agent or the Holder of its obligations under this

Agreement or any of the Credit Documents, and the Institution waives all claims for punitive, exemplary or consequential damages.

**13.11 Claims Against the Agent or Holder.** Neither the Agent nor the Holder shall be in default under this Agreement, or under any other Credit Documents, unless a written notice specifically setting forth the claim of the Institution shall have been given to the Agent within three (3) months after the Institution first had knowledge of the occurrence of the event which the Institution alleges gave rise to such claim and neither the Agent nor the Holder remedies or cures the default, if any there be, promptly thereafter; the Institution waives any claim, set off or defense against the agent and the Holder arising by reason of any alleged default by either of them as to which the Institution does not give such notice timely as aforesaid. The Institution acknowledges that such waiver is or may be essential to the ability of the Agent and the Holder to enforce its remedies without delay and that such waiver therefore constitutes a substantial part of the bargain between the Holder and the Institution with regard to this Agreement.

**13.12 Jurisdiction.** TO THE GREATEST EXTENT PERMITTED BY LAW, THE INSTITUTION HEREBY WAIVES ANY AND ALL RIGHTS TO REQUIRE MARSHALLING OF ASSETS BY THE AGENT. WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THIS AGREEMENT (EACH, A "PROCEEDING"), THE INSTITUTION IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF ALBANY, COUNTY OF ALBANY AND STATE OF NEW YORK, AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. NOTHING IN THIS AGREEMENT SHALL PRECLUDE THE BANK FROM BRINGING A PROCEEDING IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A PROCEEDING IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A PROCEEDING IN ANY OTHER JURISDICTION.

**13.13 Set Offs.** After the occurrence and during the continuance of an Event of Default, the Institution hereby irrevocably authorizes and directs the Agent from time to time to charge the Institution's accounts and deposits with the Agent (or its Affiliates), and to pay over to the Agent an amount equal to any amounts from time to time due and payable to the Agent or the Holder hereunder or under the Series 2017 Bonds or any other Credit Document. The Institution hereby grants to the Agent a security interest in and to all such accounts and deposits maintained by the Institution with the Agent (or its Affiliates).

**13.14 Time Is of the Essence.** The Institution agrees that time is of the essence under this Agreement.

**13.15 Notices.** Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand delivered, when delivered; (b) if mailed by United States

Certified Mail (postage prepaid, return receipt requested), three (3) Business Days after mailing; (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after delivered to such courier service; or (d) if by telecopier, on the day of transmission so long as copy is sent on the same day by overnight courier as set forth below:

(a) If to the Institution:

Springbrook NY, Inc.  
2705 State Highway 28  
Oneonta, New York 13820-9753  
Attention: Wade Harman, Chief Financial Officer

with a copy (which shall not constitute notice) to:

Bond Schoeneck & King, PLLC  
22 Corporate Woods Boulevard, Suite 501  
Albany, New York 12210  
Attention: Sarah Lewis Belcher, Esq.

(b) If to the Issuer:

Otsego County Capital Resource Corporation  
242 Main Street  
Oneonta, New York 13820  
Attention: Carolyn Lewis

with a copy (which shall not constitute notice) to:

Kurt D. Schulte  
Attorney at Law  
12 Club Ave.  
Oneonta, New York 13820

(c) If to the Agent:

Citizens Bank, N.A.  
250 South Clinton Street, Suite 250  
Syracuse, New York 13202  
Attention: Patrick R. Szalach, Senior Vice President

with copies (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, NW, Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

(d) If to the Holder:

Citizens Funding Corp.  
250 South Clinton Street, Suite 250  
Syracuse, New York 13202  
Attention: Patrick R. Szalach, Senior Vice President

with copies (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, NW, Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

#### ARTICLE 14

#### WAIVER OF JURY TRIAL

**THE INSTITUTION, THE AGENT AND THE HOLDER EACH WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THE SERIES 2017 BONDS, THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THE SERIES 2017 BONDS OR THIS AGREEMENT AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**



## ARTICLE 15

### CONSTRUCTION AND ADVANCES

**15.1 Closing Disbursement** Upon satisfaction of the conditions precedent set forth in Section 5.1 of this Agreement, the Institution may request and the Holder agrees to make an Advance in an amount equal to the Closing Disbursement.

**15.2 Budget.** The Agent's approval of a Request for Advances shall be based upon the Budget, attached hereto as Exhibit F, approved by the Agent in its reasonable discretion. The Budget shall specify all costs and expenses of every kind and nature whatever to be incurred in connection with Construction of the applicable Project. The Budget shall include, in addition to the Budget Line Items described in Section 15.3 below, amounts satisfactory to the Agent for soft costs and other reserves acceptable to the Agent, which approval will not be unreasonably withheld, conditioned or delayed, and shall provide for retainage under the Construction Agreement. The proposed Budget submitted to the Agent prior to the date hereof has been approved and is attached hereto as Exhibit F. All changes to the Budget shall in all respects be subject to the prior written approval of the Agent; the Agent's approval may be granted, conditional or withheld in the Agent's reasonable discretion. All changes in the scope of construction work or to any construction related contract must be documented with a Change Order on the AIA Form G701 or equivalent form.

#### **15.3 Budget Line Items.**

(a) The Budget shall include as line items ("*Budget Line Items*"), to the extent determined to be applicable by the Agent in its reasonable discretion, the cost of all labor, materials, equipment, fixtures and furnishings needed for the completion of Construction, and all other costs, fees and expenses relating in any way whatsoever to the Construction operating deficits, real estate taxes and all other sums due in connection with Construction and the operation of the applicable Project and this Agreement. The Institution agrees and covenants that all Advances disbursed with the approval of the Agent shall be used only for the Budget Line Items for which they were approved.

(b) The Agent shall not be obligated to authorize an Advance of any amount for any category of costs set forth as a Budget Line Item which is greater than the amount set forth for such category in the applicable Budget Line Item. The Institution shall pay as they become due all amounts set forth in the Budget with respect to costs to be paid for by the Institution.

(c) The Institution shall have the right to reallocate contingency and cost savings effected by a final Change Order or other appropriate final documentation to other Budget Line Items subject to the Agent's prior written consent not to be unreasonably withheld, conditioned or delayed.

**15.4 Sufficiency of Bond Proceeds— Facility In Balance.** Anything contained in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the Project in the aggregate and each of the Residences and Network Project, on a separate basis,

shall at all times be “In Balance,” on a Budget Line Item and an aggregate basis. A Residence or the Network Project shall be deemed to be “In Balance” in the aggregate only when the total of the undisbursed portion of the Series 2017 Bond proceeds (and in the case of the Residence Project, the portion of the Series 2017A Bonds and the Series 2017C Bonds and in the case of the Network Project, the portion of the Series 2017B Bonds), approved by the Agent, equals or exceeds the aggregate of:

- (a) the costs required to complete the Construction in accordance with the Plans and Specifications and the Budget;
- (b) the amounts to be paid as retainages to persons who have supplied labor or materials with respect to the Construction; and
- (c) all other hard and soft costs not yet paid for in connection with the Construction,

as such costs and amounts described in clauses (a), (b), and (c) may be estimated and/or approved in writing by the Agent from time to time.

The Institution agrees that if for any reason, in the Agent’s reasonable discretion, the amount of such undisbursed Series 2017 Bond proceeds shall at any time be or become insufficient for such purpose regardless of how such condition may be caused, it will, within ten (10) days after written request by the Agent, deposit the deficiency with the Agent.

**15.5 Applicability of Sections.** The provisions contained in this Article 15 shall apply to the Closing Disbursement and to all Requests for Advances during Construction.

**15.6 Monthly Payouts.** After the Closing Date, further Requests for Advances shall be approved by the Agent during Construction from time to time as the Construction progresses, but no more frequently than once in each calendar month.

**15.7 Documents to Be Furnished for Each Advance.**

(a) *Advances with respect to the Network Project and Residence 2 and Residence 3.* After the Closing Date, the Institution may from time to time (but not more often than once per month) request Advances:

- (i) under the Series 2017B Bond to reimburse the Institution for the purchase and installation of Equipment in accordance with Section 15.7(c) of this Agreement and to pay interest during the Interest Only Period and Bank Fees with respect to the Series 2017B Bond; and
- (ii) under the Series 2017C Bond to reimburse the Institution for the Costs of the Project incurred with respect to Residence 2 and Residence 3 in accordance with Section 15.7(c) of this Agreement and to pay interest during the Interest Only Period and Bank Fees with respect to the Series 2017C Bond;.

The Institution shall not receive any Advance with respect to the Network Project unless (i) the Agent shall have approved the Request for Advance in writing, (ii) the Equipment and purchase price therefor or installation cost thereof shall be shown on the Budget.

The Institution shall not receive any Advance with respect to Residence 2 or Residence 3 unless (i) the Agent shall have approved the Request for Advance in writing, (ii) the Cost of the Project with respect to Residence 2 or Residence 3, as applicable, shall be shown on the Budget and (iii) an Architect's Agreement, satisfactory to the Agent, with an Architect satisfactory to the Agent providing for monitoring of construction in accordance with Plans and Specifications accompanied by consent of such Architect to the Assignment of Construction Documents and UCC-3 relating thereto.

(b) *Advances with respect to Residence 4 and Residence 5.* Other than the Closing Disbursement, payment of interest during the Interest Only Period and Bank Fees with respect to the Series 2017C Bond and contingency shown in the Budget and allocable to Residence 2 and Residence 3, the Institution shall not request or receive any Advances under the Series 2017C Bond with respect to Residence 4 or Residence 5 unless the Agent shall have approved such Request for Advance in writing; and the Institution shall have furnished or caused to be furnished to the Agent (in addition to those items set forth in Sections 5.2 and 15.7(c) hereof) the following with respect to the Residence which is the subject of the Request for Advance, in form and substance satisfactory to the Agent in all respects, no later than ten (10) Business Days before the date requested for the Advance in the applicable Request for Advance (unless another date for performance or delivery is provided for in this Section 15.7 or as agreed to by the Agent in writing), for the Agent's approval which may be granted, conditioned or withheld in the Agent's reasonable discretion:

(i) a Construction Agreement, satisfactory to the Agent and providing for a guaranteed maximum price and a retainage of not less than five percent (5%) of the contract sum, with a Contractor satisfactory to the Agent, delivered at least twenty (20) days prior to the scheduled Commencement Date of such Residence;

(ii) an Architect's Agreement, satisfactory to the Agent, with an Architect satisfactory to the Agent;

(iii) a fully-executed original Assignment of Construction Documents with consent of the Contractor and Architect, if any, and UCC-1 relating thereto;

(iv) a full and complete stamped detailed Plans and Specifications with respect to such Residence in duplicate, when appropriate, delivered at least twenty (20) days prior to the scheduled Commencement Date and reasonably satisfactory to the Agent;

(v) a Construction Schedule delivered at least twenty (20) days prior to the scheduled Commencement Date and reasonably satisfactory to the Agent establishing a timetable for completion of the Construction of the Residence;

(vi) a list of all Major Subcontractors (other than those retained by the Contractor pursuant to the Construction Agreement) who will be supplying labor or

materials for the respective Residence, certified as true and complete by an Authorized Representative of the Institution;

(vii) a fully-executed copy of each Major Subcontract (other than those to which the Contractor is a party pursuant to the Construction Agreement) in effect as of the date of the Request for Advance; each such subcontract shall be in the form, for an amount and on terms approved by the Agent;

(viii) copies of each of the Required Permits, except for those Required Permits which cannot be issued until completion of Construction, in which event such Required Permits will be obtained by the Institution on a timely basis in accordance with all recorded maps and conditions, and applicable building, land use, zoning and environmental codes, statutes and regulations and will be delivered to the Agent at the earliest possible date;

(ix) a list of all subcontractors retained by the Contractor pursuant to the Construction Agreement who will be supplying labor or materials, certified as true and complete by an Authorized Representative of the Contractor;

(x) evidence of builders risk coverage which complies with the Insurance Requirements set forth in Exhibit C; and

(xi) such other papers, materials and documents as the Agent may require with respect to the Construction or otherwise to satisfy the conditions of this Agreement.

(c) *Conditions Applicable to All Advances.* As a condition precedent to each Request for Advance with the Agent and approval thereof by the Agent (other than the Closing Disbursement), the Institution shall furnish or cause to be furnished to the Agent the following documents covering each requested Advance or disbursement, in form and substance satisfactory to the Agent:

(i) a completed Request for Advance, each executed by an Authorized Representative of the Institution, together with all documents set forth therein;

(ii) with respect to the Residence Project only, a completed standard AIA Form G702 and Form G703 signed by the Construction Manager and the Architect, together with Contractor's sworn statements and unconditional Lien waivers of Contractor, together with such invoices, contracts or other supporting data as the Agent may require to evidence that all costs for which Advance or disbursement is sought have been incurred;

(iii) paid invoices or other evidence satisfactory to the Agent that fixtures and equipment have been paid for and are free of any Lien therein or thereon;

(iv) with respect to the Residence Project only, copies of any executed Change Orders or standard AIA Form G701, whether proposed or executed, which have not been previously furnished to the Agent;

(v) with respect to the Residence Project only, copies of all Major Subcontracts which have been executed since the last Advance;

(vi) all Required Permits not previously delivered to the Agent as such Required Permits are issued;

(vii) satisfactory evidence that all Government Approvals have been obtained for development and construction of the applicable Project to the extent not previously delivered to the Agent;

(viii) with respect to the Residence Project, a “run down” endorsement to the Title Insurance Policy or report indicating no change in the state of title and containing no survey exceptions not approved by the Agent, which endorsement shall, expressly or by virtue of a proper “pending disbursements” clause or endorsement in the policy, increase the coverage of the policy to the aggregate amount of all Series 2017 Bond proceeds advanced on or before the effective date of such endorsement; and

(ix) such other instruments, documents and information as the Agent may reasonably request.

At the time of each Request for Advance, (i) the Project and each applicable Residence and the Network Project shall be In Balance; (ii) all conditions precedent applicable to such Advances shall have been complied with in each instance; (iii) no Material Adverse Change shall have occurred; (iv) no Event of Default and no material Default shall exist hereunder or under any other Credit Document; and (v) the representations and warranties contained in Article 8 shall be true and correct in all material respects as if made on and as of the date of such Request for Advance.

Approval of Request for Advance by the Agent shall be made not more than ten (10) Business Days after receipt of all information required by the Agent.

**15.8 Requests for Advances for Materials Stored On-Site.** Any Request for Advance which in whole or in part relates to materials, equipment or furnishings which the Institution owns and which are not incorporated into the Residence Project as of the date of the Request for Advance, but are to be temporarily stored at the Residence Project, shall be made in an aggregate amount not to exceed \$75,000. Any such request must be accompanied by evidence satisfactory to the Agent that (a) such stored materials are included within the coverages of insurance policies carried by the Institution or the Contractor, (b) the ownership of such materials is vested in the Institution free of any Liens and claims of third parties, (c) such materials are properly insured and protected against theft or damage, (d) the materials used in the Construction are not commodity items but are uniquely fabricated for the Construction, and (e) in the opinion of the Agent, the stored materials are physically secured and can be incorporated into the Residence Project within forty-five (45) days. The Agent may require separate Uniform Commercial Code financing statements to cover any such stored materials. The Agent may inspect any stored materials during normal business hours and storage thereof no less often than monthly.

**15.9 Requests for Advances for Off-Site Materials.** The Agent may in its sole discretion, but shall not be obligated to, approve a Request for Advance for an Advance for materials stored off-site, in which event all of the requirements of Section 15.8 shall be applicable to such Request for Advance as well as any other requirements which the Agent may in its sole discretion determine are appropriate under the circumstances.

**15.10 Further Covenants.** The Institution further covenants and agrees that, except as otherwise waived by the Agent in writing, from the date of this Agreement and until the obligations of the Institution to the Agent hereunder are satisfied in full, it will comply or cause to be complied with the following provisions:

(a) *Construction.* The Construction shall be completed in a good and workmanlike manner with materials of high quality, strictly in accordance with the Plans and Specifications (or in accordance with any changes therein that may be reasonably approved in writing by the Agent or as to which the Agent's approval is not required), and such Construction will be commenced on or before the Commencement Date and prosecuted with due diligence and continuity in accordance with the Construction Schedule and fully completed not later than the Completion Date. The Completion Date shall be extended in writing by the Agent by the number of days resulting from any Unavoidable Delay in the Construction (but under no circumstances shall the Agent be obligated to extend the Completion Date beyond thirty (30) days), *provided that* the Agent shall not be obligated to grant any such extension unless (i) the Institution gives notice of such delay to the Agent within ten (10) days of learning of the event resulting in such delay, and (ii) such delay is permitted under the Series 2017 Financing Documents.

(b) *Changes in Plans and Specifications.* No changes will be made in the Plans and Specifications without the prior written approval of the Agent which approval will not be unreasonably withheld, conditioned or delayed, *provided, however,* that the Institution may make changes to the Plans and Specifications if (i) the Institution notifies the Agent in writing of such change within seven (7) days thereafter; (ii) the Institution obtains the approval of all parties whose approval is required, including any sureties, and any Governmental Authority to the extent approval from such parties is required; (iii) the structural integrity of the Residence Project is not impaired; (iv) no material change in architectural appearance is effected; (v) the performance of the mechanical, electrical and life safety systems of the Residence Project is not adversely affected; and (vi) the cost of or reduction resulting from any one such change does not exceed \$50,000 and the aggregate change in cost of all such changes does not exceed \$100,000.

(c) *Review of Plans and Specifications, Construction Schedule and Budget; Inspections by Agent.* The Institution will cooperate with the Agent in the review and approval of the Plans and Specifications, Construction Schedule and Budget. The Institution will, if requested by the Agent, arrange for monthly construction progress meetings with the Contractor and the Agent. The Institution shall cooperate with the Agent in arranging for inspections by the Agent and representatives of the Agent of the progress of Construction from time to time, including an examination of (i) the applicable Project, (ii) all materials to be used in the Construction, (iii) all plans and shop drawings which are or may be kept at the construction site, (iv) any contracts, bills of sale, statements, receipts or vouchers in connection with the applicable Project, (v) all work done, labor performed and materials furnished in and about the applicable

Project, (vi) all books, contracts and records with respect to the applicable Project, and (vii) any other documents relating to the applicable Project or the Construction, provided that such inspections by the Agent and representatives of the Agent shall be upon reasonable notice, during regular business hours and accompanied by a representative of the Institution. The Institution shall cooperate with the Agent to enable them to perform their functions hereunder and will promptly comply with the Agent's requirements as set forth in this Agreement to remedy any violation of the terms hereof. It is understood and agreed that the Agent shall not be liable for any reason as a result of such inspections (other than loss, liability or expense directly resulting from the gross negligence of the Agent, its representatives, agents, contractors or employees during such inspection), the parties hereby agreeing that the inspections are solely for the benefit of the Agent.

(d) *Mechanics' Liens and Contest Thereof.* The Institution will not suffer or permit any mechanics' Lien claims to be filed or otherwise asserted against the applicable Project or any funds due to the Contractor, and will promptly discharge the same in case of the filing of any claims for such Lien or proceedings for the enforcement thereof, *provided, however*, that the Institution shall have the right to contest in good faith and with reasonable diligence the validity of any such Lien or claim, *provided that* within thirty (30) days of written notice by the Agent to the Institution of the existence of the Lien, such Lien is removed from title to the applicable Project or secured by posting a bond in form and substance reasonably satisfactory to the Agent. The Agent will not be required to authorize any further Advances until any mechanics' liens have been removed or bonded, and until such time as such liens are removed or bonded, the Agent may, at its option, restrict Advances or disbursements to reserve sufficient sums to pay one hundred percent (100%) of the Lien.

If the Institution shall fail to comply with the first paragraph of this Section 15.10(d), the Agent may, at its election (but shall not be required to), procure the release and discharge of any such claim and any judgment or decree thereon and, further, may in its sole discretion effect any settlement or compromise of the same, and any amounts so expended by the Agent, including premiums paid or security furnished in connection with the issuance of any surety company bonds, shall be deemed to constitute an Advance. In settling, compromising or discharging any claims for Lien, the Agent shall not be required to inquire into the validity or amount of any such claim.

**15.11 Sign and Publicity.** Upon the Agent's request, the Institution shall promptly erect a sign approved in advance by the Agent in a conspicuous location on the Land during the Construction indicating that the financing for the Project is provided by the Agent. The Agent reserves the right to publicize the making available of the credit support.

**15.12 No Amendment of Construction Management Agreement, Architect Agreements and Construction Agreements; Subcontracts.** The Institution shall not enter into, modify, amend, terminate or cancel the Construction Management Agreement, any Architect Agreements, any Construction Agreement or any other contract for Construction without the prior written approval of the Agent which approval will not be unreasonably withheld, conditioned or delayed. The Institution will furnish or cause to be furnished to the Agent promptly after execution thereof executed copies of all Major Subcontracts. The Institution will furnish or cause to be furnished to the Agent the (i) name, (ii) address,

(iii) telephone number, and (iv) scope/type of work of each such party as to those Major Subcontracts which may not have been furnished at the Closing Date.

**15.13 Correction of Defects.** Within five (5) days after the Institution acquires knowledge of or receives notice of a material defect in the applicable Project or any material departure from the Plans and Specifications, or any other requirement of this Agreement, the Institution will proceed with diligence to correct all such defects and departures.

**15.14 Use of Advances.** The Institution agrees to use Advances or permit the Bond Proceeds to be used solely for the payment of costs as specified in the Budget. The Institution will pay all other costs, expenses and fees relating to the acquisition, Construction, use and operation of the Project.

**15.15 Final Advance for Construction of a Residence.**

(a) The Agent will authorize the final Advance for a Residence (including retainages with respect to such Residence) when the following conditions have been complied with, *provided that* all other conditions in this Agreement applicable to the approval of a Request for Advance relating to such Residence have been complied with and the final Advance for the Residence Project shall be subject to the last paragraph hereof:

(i) The Construction of such Residence has been substantially completed in accordance with the Plans and Specifications and the Construction Agreement, free and clear of mechanics' liens and security interests other than Permitted Encumbrances, and the Residence is ready for occupancy;

(ii) The Institution shall have furnished to the Agent copies of all licenses and permits required by any Governmental Authority having jurisdiction for the occupancy of the Residence, or a letter from the appropriate Governmental Authority that no such certificate is issued; and

(iv) With respect to the Residence, the Institution shall have furnished to the Agent a completed standard AIA Form G704 (a "*Certificate of Substantial Compliance*"), signed by the Institution, the Construction Manager and the Architect or other evidence reasonably satisfactory to the Agent, dated at or about the Completion Date, stating that (i) the Construction of the Residence has been substantially completed in accordance with the Plans and Specifications and the Construction Agreement, and (ii) the Construction as so completed complies with all applicable Laws.

The failure to comply with and satisfy any of the final Advance conditions contained in this Section 15.15 within one hundred twenty (120) days after the Completion Date shall constitute an Event of Default hereunder.

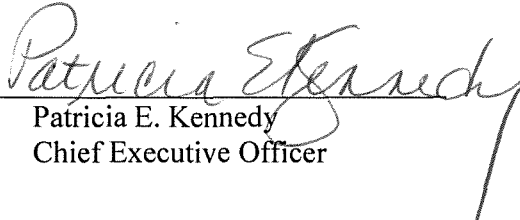
Notwithstanding anything to the contrary in this Section 15.15, the Agent's approval of the final Advance with respect to the entire Residence Project (that is, the final Advance for the last Residence completed) shall be subject to the Institution furnishing to the Agent an ALTA (2016 standard) land survey containing maps or plans of the perimeter or boundaries of the site of the premises subject to the Mortgage, certified to the Issuer, the Title Insurer, the Holder and



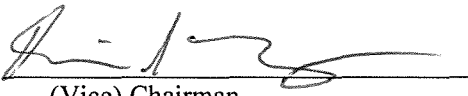
the Agent, on behalf and for the benefit of the Holder, which survey shall show, in addition to the metes and bounds of the perimeter, all monuments and angles referred to in the description, dimensions and locations of all Residences (as-built), easements, rights of way, adjoining sites, encroachments, and the lines, the distance to and the names of the nearest intersecting streets, and such other details as the Agent may reasonably request that are customary in the jurisdiction where the Residence Project is located.]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered in Albany, New York by their proper and duly authorized officers as of the day and year first above written.


**SPRINGBROOK NY, INC.**

By:   
Patricia E. Kennedy  
Chief Executive Officer

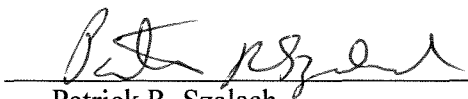
**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

By:   
(Vice) Chairman

**CITIZENS BANK, N.A., as Agent**

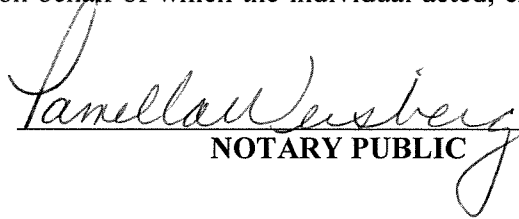
By:   
Patrick R. Szalach  
Senior Vice President

**CITIZENS FUNDING CORP., as Holder**

By:   
Patrick R. Szalach  
Senior Vice President

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

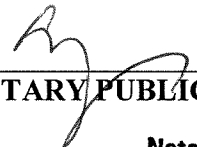
On the 24th day of March in the year 2017 before me, personally appeared **PATRICIA E. KENNEDY**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

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

**Pamella Weisberg**  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

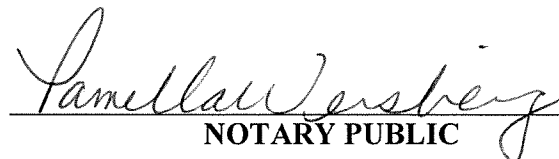
On the ~~23rd~~ day of February in the year 2017 before me, personally appeared DEVIN MORGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

**A. Joseph Scott III**  
Notary Public, State of New York  
Qualified in Albany County  
No. 02SC4811591  
Commission Expires December 31, 2018

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

On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **PATRICK R. SZALACH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

**Pamella Weisberg**  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

## EXHIBIT A

The Residence Project consists of the demolition of existing structures and construction and equipping of 5 separate buildings to be used as supervised residences for Persons served by the Institution. Each building is referred to in this Agreement as a Residence and assigned a numeric identifier. Residence 1 is complete and Costs of the Project for Residence 1 incurred by the Institution have been reimbursed by amounts included in the Closing Disbursement. Cost of Project for Residence 2 and Residence 3 will be Advanced under the draw down loan facility evidenced by the Series 2017A Bonds (other than contingency) and Costs of the Project for Residence 4 and Residence 5 (and contingency for Residence 2 and Residence 3) are expected to be Advanced under the draw down loan facility evidenced by the Series 2017C Bond.

Series	Project	Commencement Date	Completion Date
Series 2017A			
	Residence 2	March 2017	October 1, 2017
	Residence 3	March 2017	October 1, 2017
Series 2017B	Network	June 1, 2017	May 1, 2018
Series 2017C			
	Residence 4	October 1, 2018	September 1, 2019
	Residence 5	October 1, 2018	September 1, 2019

## **EXHIBIT B**

### **PERMITTED ENCUMBRANCES**

1. Permitted Encumbrances as such term is defined in the Indenture
2. The exceptions set forth in Schedule B to the Title Policy.

## EXHIBIT C

### INSURANCE REQUIREMENTS

The Institution shall obtain and keep or cause to be kept in full force and effect the following insurance coverage as appropriate, satisfactory to the Agent. All insurance policies shall be issued by carriers with a Best's Insurance Reports policy holder's rating of A and a financial size category of Class X and shall include a standard mortgage clause (without contribution) in favor of the Agent and acceptable to the Agent. The policies shall provide for the following, and any other coverage that Agent may from time to time deem necessary:

(a) Coverage Against All Peril and/or Builders Risk in the amount equal to one hundred percent (100%) of the replacement cost of all improvements located or to be located on the Land, as determined as reasonably requested by the Agent but no more frequently than once every three years by a reputable independent appraiser selected by the Institution and reasonably satisfactory to the Agent. If the policy is written on a CO-INSURANCE basis, the policy shall contain an AGREED AMOUNT ENDORSEMENT as evidence that the coverage is in an amount sufficient to insure the full replacement cost of the improvements. The Agent shall be named as the Certificate Holder, Mortgagee and Loss Payee as follows: Citizens Bank, N.A., as agent and its successors and or assigns, ATIMA, Attn: Comm. Loan Operations, 20 Cabot Road, MMF 160 3rd Floor, Medford, MA 02155. Builder's Risk Coverage shall not be required once Construction has been completed.

(b) Public liability coverage in a minimum amount of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate. "Citizens Bank, N.A., as agent, and their respective successors and assigns" shall be named as an "Additional Insured" and such coverage shall be primary and noncontributory with any other insurance available to an additional insured.

(c) Rent loss or business interruption coverage in a minimum amount not less than the appraised rentals for a minimum of six months.

(d) Flood hazard coverage in a minimum amount available, if the premises are located in a special flood hazard area ("*Flood Hazard Area*") as designated by the Federal Emergency Management Agency on its Flood Hazard Boundary Map and Flood Insurance Rate Maps, and the Department of Housing and Urban Development, Federal Insurance Administration, Special Flood Hazard Area Maps.

(e) Workers Compensation and disability insurance as required by law.

(f) Such other types and amounts of insurance with respect to the Mortgaged Property and the operation thereof which are commonly maintained in the case of other Property and buildings similar to the Mortgaged Property in nature, use, location, height, and type of construction, as may from time to time be required by the Agent.

Each policy shall provide that it may not be canceled, reduced or terminated without at least thirty (30) days' prior written notice to Agent.

All policies required by the Agent to be maintained or caused to be maintained by the Institution hereunder will contain the standard New York mortgagee clause naming Agent and the Issuer as mortgagee, lenders loss payable, and additional insured as their interests may appear. The Institution shall furnish or cause to be furnished proof of such insurance to the Agent and the Issuer at the closing and on each Anniversary Date.

**EXHIBIT D**

**REQUEST FOR ADVANCE**

To: Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, New York, 13202  
Attention: Patrick R. Szalach  
Senior Vice President

Re: Otsego County Capital Resource Corporation  
Requisition Number: \_\_\_\_\_  
Dated: \_\_\_\_\_, 201\_ \_  
Project Name: [SELECT ONE: Network Project; Residence 2, Residence 3, Residence 4  
Residence 5]]

You are hereby requested to make an Advances under [Check each applicable series and indicate aggregate amount of Advance under such Series]:

Check below if included in this Request	Series	Purpose	Aggregate Amount of Advance Requested
	2017A	Residence 2 Construction	\$
	2017A	Residence 3 Construction	\$
	2017B	Network Equipment	\$
	2017C	Residence 4 Construction	\$
	2017C	Residence 5 Construction	\$

Capitalized terms used herein have the meaning given to such terms in the Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (the "Agreement"), among Springbrook, NY, Inc. (the "Institution"), Otsego County Capital Resource Corporation, Citizens Funding Corp. (the "Holder") and Citizens Bank, N.A. as agent for the Holder (the "Agent"). In connection with this request, the Institution hereby represents and warrants to the Agent as follows:



(A) The name and address of each person to whom an advance is to be made, the amount to be paid to each and the description of the purpose(s) for which the requested Advance is to be made are as set forth on Schedule A attached hereto;

(B) All of the conditions set forth in the Agreement with respect to an Advance have been satisfied or have been waived in writing by the Agent;

(C) Each advance requested hereby is for a proper expenditure of Series 2017 Bond proceeds under the Agreement. All of the conditions to the making of the advances requested hereby set forth in the Agreement have been satisfied;

(D) The items for which payment is to be made were not paid or incurred prior to sixty (60) days before \_\_\_\_\_, 2016 (except to the extent that we have received a letter from Bond Counsel or other counsel reasonably acceptable to the Issuer and the Agent to the effect that payment of amounts incurred more than sixty (60) days prior to \_\_\_\_\_, 2016 will not adversely affect the tax-exempt status of interest on the Series 2017 Bonds), and the payment of all amounts requested hereby is consistent in all material respects with Tax Regulatory Agreement;

(E) With respect to the item(s) for which payment is to be made, the undersigned has no knowledge of any Lien which should be satisfied or discharged before the payment as requested is made or which will not be discharged by such payment;

(F) The approximate percent of work completed is set forth below and such percentage exceeds the percentage which all advances made to the date hereof represent of the total which can be advanced with respect to the Residence or Equipment:

Network Project	____% of Equipment purchased and installed
Residence 2	____% of construction completed
Residence 3	____% of construction completed
Residence 4	____% of construction completed
Residence 5	____% of construction completed

(G) If the amount requested is to reimburse the Institution for costs or expenses of the Institution incurred by reason of work performed or supervised by officers or employees of the Institution, (1) such officers or employees were specifically employed or designated by the Institution for such purpose, (2) the amount to be paid does not exceed the actual cost thereof to

the Institution, and (3) such costs or expenses will be treated by the Institution on their books as capital expenditures in conformity with GAAP (or would have been so treated either with an election by the Institution or but for an election by the Institution to deduct the amount of such payment);

(H) The payment of the amount requested, when added to all other Series 2017 Bond proceeds previously advanced by the Agent, will not result in (1) less than ninety-five percent (95%) of the proceeds of the Series 2017 Bonds (including any investment earnings on the Series 2017 Bonds) being used for the acquisition of Property which will be used for activities directly related to the exempt purposes for which the Institution was created, for which it is an organization exempt from taxation under Section 501(c)(3) of the Code, and not in connection with any unrelated trade or business within the meaning of Section 513(a) of the Code, or (2) more than two percent (2%) of the proceeds of the Series 2017 Bonds being used to pay issuance costs of the Series 2017 Bonds, or (3) the projected Series 2017 Bond proceeds remaining available being insufficient to cover all costs necessary to complete the Project;

(I) As of the date of this Request for Advance, the representations and covenants made in Article 8 of the Agreement are true and correct, and there is no Event of Default under any of the Credit Documents, nor any event, condition or act that, with the passage of time or the giving of notice or both, would ripen into such an event of default;

(J) None of the Mortgaged Property, the Network Project or any Residence has been materially injured or damaged by fire or other casualty;

(K) None of the items for which this requisition is made has been the basis for any prior advance of Series 2017 Bond proceeds (requests for advancement of retainage amounts under any contract relating to the Construction of the Project shall not be deemed made for an item which has been the basis of a prior advance by virtue of requests for advances of amounts covering the cost of such construction, less the retainage amounts);

(L) With respect to the items for which this requisition is made, the undersigned has no knowledge of any vendors', mechanics' or other liens, bailment leases, conditional sale contracts or security interests which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment;

(M) None of the items for which requisition is made constitutes personal property (including, without limitation, fixtures and equipment) which is not listed or included on UCC-1 and/or UCC-3 financing statements filed prior to the date hereof;

(N) All change orders or changes to the Budget or Construction Schedule have been submitted to and approved by the Agent;

(O) All funds previously disbursed have been used for the purposes as set forth in the Credit Documents;

(P) All Construction prior to the date of this Request for Advance has been accomplished in accordance with the Plans and Specifications and the Required Permits and it is

reasonable to expect that the completion of the Project will occur on or before the Completion Date;

(Q) All sums advanced from Series 2017 Bond proceeds will be used solely for the purpose of paying obligations owing as shown on the attached documentation; and

The undersigned understands that this Request for Advance is made for the purpose of inducing the Agent to approve an advance of Series 2017 Bond proceeds to the Institution and that, in approving such advance, the Agent will rely upon the accuracy of the matters stated in this Request for Advance.

**SPRINGBROOK NY, INC.**

By:

\_\_\_\_\_  
Patricia E. Kennedy  
Chief Executive Officer

**SCHEDULE A**

<b>Name and Address of Person to Whom Advance Is to Be Made</b>	<b>Amount</b>	<b>Description of Purpose</b>
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**EXHIBIT E**

**CERTIFICATE OF COMPLIANCE**

Date: \_\_\_\_\_

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, NY 13202  
Attention: Mr. Patrick Szalach

Re: Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (the “Agreement”), among Springbrook, NY, Inc. (the “Institution”), Otsego County Capital Resource Corporation, Citizens Funding corp. (the “Holder”) and Citizens Bank, N.A. as agent for the Holder (the “Agent”).

Reference is made to the Agreement. Capitalized terms used in this Certificate (including schedules and other attachments hereto, this “Certificate”) without definition have the meanings specified in the Agreement.

Pursuant to applicable provisions of the Agreement, the undersigned hereby certifies to the Agent that each of the calculations listed below are true, correct and complete in all material respects as to the last day of the fiscal periods subject to the financial statements and associated covenants being delivered to Agent and the Holder pursuant to the Agreement together with this Certificate (such statements the “Financial Statements” and the periods covered thereby the “reporting period”) and for such reporting periods.

The undersigned hereby certifies to the Agent that:

1. Compliance with Covenants. As shown below, Institution is in compliance with certain Covenants contained in the Agreement (use additional pages if needed).

**Effective Date:**

	<u>Testing</u>	<u>Proposed</u>	<u>Actual</u>
	• Minimum DSCR	>/= 1.10 to 1.00	
	• Minimum Unrestricted Liquidity	>/= \$750,000	
2.	Non Compliance with Covenants. As shown below, Institution is in not in compliance with certain Covenants contained in the Agreement (use additional pages if needed).		

3. Covenants (Including all Affirmative and Negative Covenants). To the undersigned's actual knowledge, during the reporting period, Institution observed and performed all of the respective covenants under all sections inclusive of 9.38 and other agreements and the Series 2017 Financing Documents, and satisfied each of the conditions contained therein to be observed, performed or satisfied by Institution, except as expressly noted on Schedule A hereto (if applicable).

IN WITNESS WHEREOF, this Certificate is executed by the undersigned this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

**SPRINGBROOK NY, INC.**

By: \_\_\_\_\_  
Name  
Title

Attachments: Calculations

**Definitions (Calculations based on the combined results of Springbrook & Upstate Home for Children Foundation (Guarantor):**

1) DSCR defined as:

As of any date, the ratio of (net earnings before interest expense, depreciation, extraordinary gains or losses after funding required reserves, changes in the valuation of interest rate swaps, noncash gains or losses, and unrealized gains or losses) to (Debt Service). *Debt Service* means as of any date, the sum of all payments due and payable during the 365-day period immediately succeeding such date for (1) all scheduled principal and sinking fund installments with respect to all Indebtedness, (2) interest on all Indebtedness, and (3) letter of credit fees, remarketing expenses, if any, of the Bonds and other expenses related thereto.

2) Unrestricted Liquidity defined as:

Unrestricted cash, unrestricted deposits and other cash- equivalent un restricted investments satisfactory to Agent.

3) Limitations and allowances with respect to the Institutions and the Projects. No new Indebtedness is permitted without Agent consent, except as follows:

- (a) the Indebtedness approved by OPWDD for one hundred percent (100%) reimbursement by OPWDD of aggregate debt service thereof;
- (b) up to \$300,000 in aggregate unsecured Indebtedness incurred by the Institution each Fiscal Year; or
- (c) up to \$500,000 under a line of credit with GMAC or another lender for the purchase of motor vehicles.

All Indebtedness owed to Citizens Bank, N.A., individually, the Agent and the Holder is cross defaulted to existing and future Indebtedness of the Institution.



**EXHIBIT F**

**BUDGET**

<b>Series of Bonds</b>	<b>Budget Line Item</b>	<b>Cost</b>
<b>Series 2017A</b>	Project costs	\$5,111,000
	Closing costs	366,000
	Capitalized interest	73,000
<b>Series 2017B</b>	Project costs	\$ 484,250
	Capitalized interest	15,750
<b>Series 2017C</b>	Project costs	\$4,072,855
	Closing costs	125,000
	Capitalized interest	252,145

CLOSING ITEM NO: A-2

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OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

AND

MANUFACTURERS AND TRADERS TRUST COMPANY,  
AS TRUSTEE

---

SERIES 2017 SUPPLEMENTAL INDENTURE

WITH CONSENT THERETO BY

SPRINGBROOK NY, INC.,  
AS PROJECT BENEFICIARY

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DATED AS OF MARCH 1, 2017

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RELATING TO THE (A) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017A IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,550,000; (B) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017B IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$500,000; AND (C) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017C IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,450,000 ISSUED BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION.

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is for convenience of reference only.)

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SERIES 2017 SUPPLEMENTAL INDENTURE

THIS SERIES 2017 SUPPLEMENTAL INDENTURE dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture") by and between OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation organized and existing under Section 1411 of the New York State Not-For-Profit Corporation Law having an office for the transaction of business located at 189 Main Street, Oneonta, New York (the "Issuer") and MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation organized and existing under the laws of the New York having an office for the transaction of business located at One M&T Plaza, 7th Floor, Buffalo, New York, as trustee (the "Trustee") for the holders of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds," and sometimes referred to as the "Supplemental Bonds") and consented to by SPRINGBROOK NY, INC., a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 2705 State Highway #28, Oneonta, New York (the "Institution");

WITNESSETH:

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of Otsego County Capital Resource Corporation (the "Issuer") under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the Board of Representatives of the County; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer pursuant to the Enabling Act as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, on September 24, 2010, the Institution entered into a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the "Bank") and the Institution, pursuant to which the Bank purchased the Issuer's Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the aggregate principal amount of \$25,200,000 (the "Initial Bonds") for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following: (A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the "Initial Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the

construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the "Addition"), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the "New Facility") (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the "Initial Facility"), (5) the acquisition and installation of various machinery and equipment therein and thereon (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility"), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Institution pursuant to the terms of a loan agreement dated as of September 1, 2010 (the "Initial Loan Agreement"); and

WHEREAS, the Initial Bonds were issued on September 24, 2010 under a resolution adopted by the directors of the Issuer on September 2, 2010 (the "Initial Bond Resolution") and a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and the Trustee for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture, including the hereinafter defined Series 2012A Bonds and the Series 2017 Bonds (the "Additional Bonds," and collectively with the Initial Bonds, the "Bonds"); and

WHEREAS, simultaneously with the issuance of the Initial Bonds, the Institution, the Bank, Upstate Home for Children Foundation, Inc. (the "Guarantor") and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the "Initial Financing Documents"); and

WHEREAS, as security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Institution under the Initial Loan Agreement are to be paid directly to the Trustee (other than during the Bank Purchase Rate Period); and

WHEREAS, as additional security for the Institution's obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Institution executed and delivered to the Bank and the Issuer a mortgage dated as of September 1, 2010 (the "Mortgage") from the Institution to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility, and the Issuer has assigned its interest in the Mortgage to the Bank, and as security for the Initial Bond Purchase Agreement, a security agreement dated as of September 1, 2010 (the "Security Agreement") from the Institution to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment; and

WHEREAS, on July 25, 2012, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal

amount of \$2,500,000 (the "Series 2012A Bonds") under a resolution adopted by the directors of the Issuer on March 22, 2012 (the "Series 2012A Bond Resolution") and a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee and pursuant to the terms of a supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 (the "Supplement," and together with the Initial Bond Purchase Agreement, being collectively referred to as the "2012A Bond Purchase Agreement") by and between the Bank and the Institution; and

WHEREAS, the Series 2012A Bonds were issued for the purpose of financing a portion of the costs of undertaking a project (the "Series 2012A Project") consisting of the following: (A) the acquisition of a 13.9 +/- acre parcel of land located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York (the "Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Facility" and together with the Land, being collectively referred to as the "Series 2012A Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2012A Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2012A Bonds, including issuance costs of the Series 2012A Bonds and any reserve funds as may be necessary to secure Series 2012A Bonds; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Series 2012A Bonds by the Issuer to the Institution; and

WHEREAS, in connection with the issuance of the Series 2012A Bonds, the Issuer executed and delivered (A) an amendment to the loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") by and between the Issuer and the Institution, with the consent of the Trustee, and (B) an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment") from the Issuer to the Trustee; and

WHEREAS, as security for the for the Institution's obligations under the Initial Bond Purchase Agreement and the 2012A Bond Purchase Agreement, the Institution executed and delivered an Amended and Restated Security Agreement dated as of July 1, 2012 (the "Amended and Restated Security Agreement") from the Institution to the Bank; and

WHEREAS, in March, 2016, the Institution presented an additional application (the "Initial Series 2017 Application") to the Issuer, which Initial Series 2017 Application requested that the Issuer consider undertaking a project (the "Initial Series 2017 Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Institution's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Initial Series 2017 Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the hereinafter defined Oneonta Existing Facility

(collectively, the “Oneonta Addition,” and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the “Oneonta Facility”), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the “Oneonta Existing Facility”), (3) the expansion and the making of improvements to the network infrastructure (collectively, the “Initial Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Initial Series 2017 Facility”) and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Initial Series 2017 Equipment”) (the Initial Series 2017 Land, the Initial Series 2017 Facility, the Initial Improvements, and the Initial Series 2017 Equipment being collectively referred to as the “Initial Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Series 2017 Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Initial Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Initial Series 2017 Obligations, including issuance costs of the Initial Series 2017 Obligations and any reserve funds as may be necessary to secure the Initial Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Initial Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in the resolution adopted by the directors of the Issuer on March 3, 2016 (the “Series 2017 Public Hearing Resolution”), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the “Series 2017 Public Hearing”) in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Series 2017 Project and the financial assistance being contemplated by the Issuer with respect to the Initial Series 2017 Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Series 2017 Project Facility is to be located, (B) caused notice of the Series 2017A Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Series 2017 Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of the Town of Oneonta, Otsego County, New York, (D) conducted the Series 2017 Public Hearing on May 10, 2016 at 4:00 o’clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Series 2017 Public Hearing (the “Series 2017 Report”) which fairly summarized the views presented at the Series 2017 Public Hearing and distributed same to the directors of the Issuer and to the Board of Representatives of Otsego County, New York (the “Board of Representatives”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the directors of the Issuer on July 28, 2016 (the “SEQR Resolution”), the Agency (1) determined that the Initial Series 2017 Project constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project; and

WHEREAS, by resolution dated June 1, 2016 (the “Series 2017 Public Approval”), the Board of Representatives approved the issuance of the Series 2017 Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, by resolution dated February 23, 2017, the Issuer approved the final form of the Initial Series 2017 Project description in an amended application (collectively with the Initial Series 2017 Application, the “Series 2017 Application”) consisting of the following (the “Series 2017 Project”): (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Series 2017 Obligations, including issuance costs of the Series 2017 Obligations and any reserve funds as may be necessary to secure the Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, the Issuer will now issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) for the purpose of financing a portion of the costs of the Series 2017 Project, which Series 2017 Bonds are to be issued under a resolution adopted by the directors of the Issuer on July 28, 2016 (the “Series 2017 Bond Resolution”) and a supplemental trust indenture dated as of March 1, 2017 (the “Series 2017 Supplemental Indenture,” and collectively with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, the “Indenture”) by and between the Issuer and the Trustee; and

WHEREAS, the Series 2017 Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2017 Bonds as initially issued will be the Bank Purchase Rate as determined by the Bank, as the administrative agent (the “Agent”) for the initial purchaser of the Series 2017 Bonds pursuant to the terms of the Indenture and a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and among the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and the Agent; and



WHEREAS, prior to or simultaneously with the issuance of the Series 2017 Bonds, the Issuer will execute and deliver an amendment to the loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and collectively with the Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, the “Loan Agreement”) by and between the Issuer and the Institution, with the consent of the Trustee, and certain other documents related to the Series 2017 Project and to the Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Series 2017 Financing Documents”); and

WHEREAS, pursuant to the terms of the Loan Agreement, (A) the Institution will agree, among other things, (1) to cause the Series 2017 Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2017 Bonds to the Institution; and

WHEREAS, as security for the Series 2017 Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and collectively with the Initial Pledge and Assignment, as amended by the Series 2012A Amendment to Pledge and Assignment, the “Pledge and Assignment”) from the Issuer to the Trustee; and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement and the Loan Agreement, the Institution will execute and deliver to the Agent and the Issuer a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution and the Agent, which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”); and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement, the Institution will execute and deliver to the Agent a certain security agreement, dated as of March 1, 2017 (the “Series 2017 Security Agreement”) by and between the Institution and the Agent, which grants to the Agent a security interest in, among other things, certain personal property of the Institution; and

WHEREAS, the Institution's obligation (A)(1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Continuing Covenants Agreement, and (B) the Issuer’s obligation to repay the Series 2017 Bonds will be further secured by a certain guaranty dated as of March 1, 2017 (the “Series 2017 Guaranty of Foundation”) from the Guarantor to the Holder; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the “Series 2017 Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Series 2017 Information Return with the Internal Revenue Service, (B) the Institution will execute a tax regulatory agreement dated

the date of delivery of the Series 2017 Bonds (the “Series 2017 Tax Regulatory Agreement”) relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Bank will execute a letter (the “Issue Price Letter”) confirming the issue price of the Series 2017 Bonds for purposes of Section 148 of the Code; and

WHEREAS, all things necessary to make the Series 2017 Bonds, when authenticated by the Trustee and issued as in this Series 2017 Supplemental Indenture provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Series 2017 Supplemental Indenture a valid pledge of and Lien (as hereinafter defined) on the Trust Revenues (as hereinafter defined) herein pledged to the payment of the Series 2017 Bonds, have been done and performed, and the creation, execution and delivery of this Series 2017 Supplemental Indenture, and the execution and issuance of the Series 2017 Bonds, subject to the terms hereof and of the Indenture, have in all respects been duly authorized;

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. (A) Except as provided in subsection (B) below, unless the context or use indicates another or different meaning, initially capitalized terms used in this Series 2017 Supplemental Indenture, including in any instrument delivered pursuant hereto and in the recitals and granting clauses hereof, shall have the respective meanings specified in Article I of the Initial Indenture or in Section 1 of the Series 2012A Supplemental Indenture. Any term defined in each of the Series 2017 Supplemental Indenture, the Series 2012A Supplemental Indenture, and the Initial Indenture shall have the meaning specified in this Series 2017 Supplemental Indenture.

(B) The following definitions are equally applicable to both the singular and plural forms of any of the terms herein defined. As used herein:

“Agent” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Arbitrage Certificate” means (A), with respect to the Initial Bonds, the Initial Arbitrage Certificate, (B), with respect to the Series 2012A Bonds, the Series 2012A Arbitrage Certificate, (C), with respect to the Series 2017 Bonds, the Series 2017 Arbitrage Certificate, and (D), with respect to any Series of Additional Bonds, any similar documents or certificates executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to such Series of Additional Bonds.

“Bank Documents” means, collectively, the Letter of Credit, the Bond Purchase Agreement, the Building Loan Agreement, the Initial Bank Guaranty, the Guaranty of Foundation, the Series 2012A Mortgage, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, and the Mortgage and any other document now or hereafter executed by the Issuer, the Institution or any Guarantor in favor of the Bank which affects the rights of the Bank in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under any Bank Document.

“Bank Hold Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the

Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Bank Purchase Rate” means, (A) with respect to the Initial Bonds, a variable rate of interest equal to 68% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 3.25%, (B) with respect to the Series 2012A Bonds, a variable rate of interest equal to 73% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.20%, and (C) with respect to the Series 2017 Bonds, a variable rate of interest equal to 65% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.50%.

“Bank Purchase Rate Mode” means a Rate Period with respect to the Bonds in which the Bonds bear interest at the Bank Purchase Rate, commencing on the date they are purchased by the Bank and ending on a date when the Bonds are prepaid, subject to mandatory tender for purchase in connection with conversion to a new Interest Rate Mode or tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**.

“Bank Purchase Rate Period” means, with respect to a particular Series of the Bonds, that period during which such Series of the Bonds shall bear interest at a Bank Purchase Rate, beginning on, and including, the date on which such Series of the Bonds commences bearing interest at the Bank Purchase Rate and ending on the earliest of (A) the Conversion Date on which such Series of the Bonds commences bearing interest in another Interest Rate Mode, (B) the date when all of the Bonds of such Series are prepaid, (C) the date on which all of the Bonds of such Series are tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**, or (D) the maturity of the Bonds of such Series.

“Bond Purchase Agreement” means, (A) with respect to the Initial Bonds, the Initial Bond Purchase Agreement (B) with respect to the Series 2012A Bonds, the 2012A Bond Purchase Agreement, (C) with respect to the Series 2017 Bonds, the Continuing Covenants Agreement, and (D) with respect to any Series of Additional Bonds, any similar documents executed by the Institution and relating to the purchase of such Series of Additional Bonds.

“Bond Resolution” means (A) with respect to the Initial Bonds, the Initial Bond Resolution, (B) with respect to the Series 2012A Bonds, the Series 2012A Bond Resolution, (C) with respect to the Series 2017 Bonds, the Series 2017 Bond Resolution, and (D) with respect to a Series of Additional Bonds, the resolution adopted by the directors of the Issuer authorizing the Issuer execute and deliver the supplemental indenture relating to such Series of Additional Bonds, to issue and sell such Series of Additional Bonds and to execute and deliver the related amendments and supplements to the Financing Documents to which the Issuer is a party.

“Closing Date” means March 27, 2017, the date on which the Series 2017 Bonds are authenticated and delivered and the Continuing Covenants Agreement is executed and delivered by the parties thereto.

“Continuing Covenants Agreement” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture

“Financing Documents” means, collectively, the Initial Financing Documents, the Series 2012A Financing Documents, and the Series 2017 Financing Documents.

“Guarantor” means the Upstate Home for Children Foundation, Inc.

“Guaranty of Foundation” means, (A) with respect to the Initial Bonds and the Series 2012A Bonds, the amended and restated guaranty dated as of July 1, 2012 from the Guarantor to the Bank, (B) with respect to the Series 2017 Bonds, the Series 2017 Guaranty of Foundation as defined in the twenty-fifth recital clause to the Series 2017 Supplemental Indenture, and (C) with respect to any Series of Additional Bonds, any similar documents executed by the Guarantor and relating to such Series of Additional Bonds.

“Holder” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Indenture” means the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture and the Series 2017 Supplemental Indenture, as said indenture may be further amended or supplemented from time to time.

“Initial Advance” means the first advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Initial Bond Purchase Agreement” shall have the meaning set forth in the fourth recital clause to the Series 2017 Supplemental Indenture.

“Initial Financing Documents” means, with respect to the Initial Bonds, the following documents related thereto: the Initial Bonds, the Initial Indenture, the Initial Loan Agreement, the Pledge and Assignment, the Initial Guaranty, the Initial Tax Documents, the Bank Documents, the Initial Remarketing Agreement and any other document now or hereafter executed by the Issuer, the Institution, any Guarantor or the Bank in favor of the Bondholders, the Trustee or the Bank which affects the rights of the Bondholders, the Trustee or the Bank in or to the Initial Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Initial Request for Advance” means the first request for advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Interest Payment Date” means, (A) with respect to any Series of Additional Bonds, the Interest Payment Dates on said Series of Additional Bonds, as established pursuant to the supplemental Indenture authorizing issuance of said Series of Additional Bonds, (B) with respect to a Series of the Initial Bonds or Series 2012A Bonds, the Interest Payment Date as defined in the Series 2012A Supplemental Indenture; and (C) with respect to a Series of the Series 2017 Bonds, (1) while such Series 2017 Bonds bears interest at a Weekly Rate, the first Thursday of each month, (2) while such Series 2017 Bonds bears interest at a Semi-Annual Rate or a Long-Term Rate, January 1 and July 1 of each year, (3) while such Series 2017 Bonds bears interest at a Bank Hold Rate, the dates established pursuant to Sections 2(E) of the Series 2017 Supplemental Indenture and (4) while such Series 2017 Bonds bears interest at the Bank Purchase Rate, the first calendar day of each month. The first Interest Payment Date relating to the Series 2017 Bonds shall be the Interest Payment Date on May 1, 2017. The final Interest Payment Date relating to Series 2017 Bonds shall be the Maturity Date of the Series 2017 Bonds.

“Interest Rate Agreement” means, with respect to the Initial Bonds, a certain interest rate exchange agreement dated September 24, 2010 by and between the Institution and the Bank, and, with respect to the Series 2012A Bonds, a certain interest rate exchange agreement dated [July \_\_, 2012] by and between the Institution and the Bank, [and, with respect to the Series 2017A Bonds and Series 2017B Bonds, a certain interest rate exchange agreement dated March \_\_, 2017 that will be entered into by and between the Institution and the Bank, either simultaneously herewith or within 3 days after the date hereof.]

“Loan Agreement” means the Initial Loan Agreement, as amended and supplemented by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement, as said loan agreement may be further amended or supplemented from time to time.

“Long-Term Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Long-Term Tax-Exempt Rate Period” means, (A) with respect to the Initial Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Initial Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 209(D) of the Initial Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Initial Bonds, (B) with respect to the Series 2012A Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2012A Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2012A Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2012A Bonds, and (C) with respect to the Series 2017 Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2017 Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2017 Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2017 Bonds.

“Mandatory Tender” means the mandatory tender of the Bonds by the Owner thereof (A) (1) upon a Conversion pursuant to Section 209 of the Initial Indenture (with respect to the Initial Bonds), (2) upon a Conversion pursuant to Section 2 of the Series 2012A Supplemental Indenture (with respect to the Series 2012A Bonds), and (3) upon a Conversion pursuant to Section 2 of the Series 2017 Supplemental Indenture (with respect to the Series 2017 Bonds); (B) upon the delivery by the Institution of an Alternate Credit Facility pursuant to Section 304 of the Initial Indenture; or (C) as otherwise provided under Section 304(B) of the Initial Indenture.

“Mortgaged Property” means, (A) with respect to the Initial Bonds, all Property which may from time to time be subject to the Lien of the Mortgage, (B) with respect to the Series 2012A Bonds, all Property which may from time to time be subject to the Lien of the Series 2012A Mortgage, and, (C) with respect to the Series 2017 Bonds, all Property which may from time to time be subject to the Lien of the Series 2017 Mortgage.

“Pledge and Assignment” means the Initial Pledge and Assignment, as amended and supplemented by the Series 2012A Amendment to Pledge and Assignment and the Series 2017 Amendment to Pledge and Assignment, as said loan agreement may be further amended or supplemented from time to time.

“Project” means, collectively, the Initial Project, the Series 2012A Project, and the Series 2017 Project.

“Project Facility” means, collectively, the Initial Project Facility, the Series 2012A Project Facility, and the Series 2017 Project Facility.

“Semi-Annual Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Series 2017 Amendment to Loan Agreement” means the amendment to loan agreement dated as of March 1, 2017 by and between the Issuer and the Institution and consented to by the Trustee, as said amendment to loan agreement may be amended or supplemented from time to time.

“Series 2017 Amendment to Pledge and Assignment” means the amendment to pledge and assignment dated as of March 1, 2017 from the Issuer to the Trustee, as said amendment to pledge and assignment may be amended or supplemented from time to time.

“Series 2017 Arbitrage Certificate” means the certificate dated the Series 2017 Closing Date executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to the Series 2017 Bonds.

“Series 2017 Bonds” means collectively, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds.

“Series 2017A Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017B Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000,

issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017C Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017 Bond Resolution” means the resolution adopted by the directors of the Issuer on July 28, 2016 authorizing and approving the issuance of the Series 2017 Bonds and the execution and delivery of the Series 2017 Financing Documents.

“Series 2017 Closing Date” means the date on which authenticated Series 2017 Bonds are delivered to or upon the order of the Bank and payment is received therefor by the Trustee on behalf of the Issuer.

“Series 2017 Financing Documents” means the Series 2017 Bonds, the Series 2017 Supplemental Indenture, the Series 2017 Amendment to Loan Agreement, the Series 2017 Tax Documents, the Continuing Covenants Agreement and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holders of the Series 2017 Bonds or the Trustee which affects the rights of the Holders of the Series 2017 Bonds or the Trustee in or to the Series 2017 Project Facility, in whole or in part, or which secures or guarantees any sum due under the Series 2017 Bonds or any other Series 2017 Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Series 2017 Mortgage” means the mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 from the Institution to the Issuer and the Bank, which is intended to grant to the Issuer and the Bank a first priority mortgage lien on and security interest in the Mortgaged Property as additional security for the obligations of the Institution under the Loan Agreement and under the Supplement, as said mortgage may be amended or supplemented from time to time.

“Series 2017 Project” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Project Facility” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Supplemental Indenture” means the supplemental indenture dated as of March 1, 2017 by and between the Issuer and the Trustee with consent thereto by the Institution, which Series 2017 Supplemental Indenture amends and supplements the Initial Indenture to permit the issuance of the Series 2017 Bonds.

“Series 2017 Tax Documents” means, collectively, the Series 2017 Arbitrage Certificate and the Series 2017 Tax Regulatory Agreement.

“Series 2017 Tax Regulatory Agreement” means the tax regulatory agreement dated the Series 2017 Closing Date and executed by the Institution in favor of the Issuer and the Trustee regarding,

among other things, the restrictions prescribed by the Code in order for interest on the Series 2017 Bonds to remain excludable from gross income for federal income tax purposes.

“2012A Bond Purchase Agreement” means the supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 together with the Initial Bond Purchase Agreement.

“Supplemental Bonds” means the Series 2017 Bonds.

“Tax Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Tax Documents, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Documents, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Documents, and (D), with respect to any Series of Additional Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Series of Additional Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Initial Bonds, the Initial Tax Regulatory Agreement, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Regulatory Agreement, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Regulatory Agreement, and (D), with respect to any Series of Additional Bonds issued as Tax-Exempt Bonds, any similar document executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on such Series of Additional Bonds to remain excludable from gross income for federal income tax purposes.

“Weekly Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is a variable rate that is determined in accordance with Section 209(C)(3) of the Initial Indenture; (B) with respect to the Series 2012A Bonds, the Interest Rate Mode in which the interest rate on the Series 2012A Bonds is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture; and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode in which the interest rate on the Series 2017 Bonds is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“30-Day LIBOR” means with respect to the Bonds, relative to any LIBOR Interest Period, the offered rate for deposits of U.S. Dollars for a term coextensive with the designated LIBOR Interest Period which the ICE Benchmark Administration (or any successor administrator of LIBOR rates) fixes as its LIBOR rate as of 11:00 a.m. London Time on the day which is two London Banking Days prior to the beginning of such LIBOR Interest Period. If such day is not a London Banking Day, the 30-day LIBOR shall be determined on the next preceding day which is a London Banking Day. If for any reason the Agent cannot determine such offered rate fixed by the then current administrator of LIBOR rates, the Agent may, in its sole but reasonable discretion and upon notice to the Company, use an alternative method to select a rate calculated by the Agent to reflect its cost of funds.

SECTION 2. TERMS OF THE SERIES 2017 BONDS. (A) (1) Series 2017A Bonds shall be issued in the aggregate principal amount of up to \$5,550,000, shall be designated “Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A.” The Series 2017A Bonds shall be prefixed “AR” and numbered from one upward. The Series 2017A Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations. The Series 2017A Bonds shall be of a single maturity. The Series 2017A Bonds shall mature on March 1, 2043.



(2) Series 2017B Bonds shall be issued in the aggregate principal amount of up to \$500,000, shall be designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B." The Series 2017B Bonds shall be prefixed "BR" and numbered from one upward. The Series 2017B Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations. The Series 2017B Bonds shall be of a single maturity. The Series 2017B Bonds shall mature on March 1, 2022.

(3) Series 2017C Bonds shall be issued in the aggregate principal amount of up to \$4,450,000, shall be designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C." The Series 2017C Bonds shall be prefixed "CR" and numbered from one upward. The Series 2017C Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations. The Series 2017C Bonds shall be of a single maturity. The Series 2017C Bonds shall mature on August 1, 2044.

(B) The Series 2017 Bonds shall be dated the date of authentication and shall bear interest from the Interest Payment Date to which interest has accrued and has been paid, or if prior to the first Interest Payment Date for the Series 2017 Bonds, from the date of the original issuance of the Series 2017 Bonds until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of this Indenture, whether upon maturity, redemption or otherwise.

(C) The Series 2017 Bonds shall bear interest as follows:

(1) The Series 2017 Bonds shall all bear interest in the same Interest Rate Mode at all times. The Series 2017 Bonds initially shall bear interest at the Bank Purchase Rate, which rate shall continue in effect until the Institution shall cause a Conversion to a different Interest Rate Mode as hereinafter provided.

(2) The first Interest Payment Date for the Series 2017 Bonds shall be the Interest Payment Date on May 1, 2017. The Series 2017 Bonds shall initially bear interest at the Bank Purchase Rate. During each Interest Period for each Interest Rate Mode, the interest rate for the Series 2017 Bonds shall be determined in accordance with Section 2(C)(3) hereof and shall be payable on the Interest Payment Date for such Interest Period; provided that, unless an Event of Default under Section 601(A) or Section 601(B) of the Initial Indenture has occurred and is continuing, the interest rate borne by the Series 2017 Bonds shall not exceed the lesser of (a) twelve percent (12%) per annum or (b) so long as the Bonds are entitled to the benefits of a Credit Facility, the maximum interest rate with respect to the Series 2017 Bonds specified in the Credit Facility. Interest on the Series 2017 Bonds at the interest rate or rates for the Weekly Tax-Exempt Rate shall be computed upon the basis of a 365 or 366-day year, as applicable, for the actual number of days elapsed. Interest on the Series 2017 Bonds at the Bank Purchase Rate shall be computed upon the basis of a 360 day year for the actual number of days elapsed. Interest on the Series 2017 Bonds at the interest rate or rates for the Semi-Annual Tax-Exempt Rate and the Long-Term Tax-Exempt Rate shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Each Series 2017 Bonds shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the Default Rate computed from the date of the Default or Event of Default.

(3) The interest rate borne by the Series 2017 Bonds as of any particular date shall be determined as follows:

(a) If the Interest Rate Mode for the Series 2017 Bonds is the Weekly Tax-Exempt Rate, the interest rate on the Series 2017 Bonds for a particular Weekly Tax-Exempt Rate Period shall be the rate established by the Remarketing Agent no later than 3:00 o'clock p.m. (New York time) on the Wednesday preceding the Weekly Tax-Exempt Rate Period (or the seventh day preceding the Conversion of the Interest Rate Mode to the Weekly Tax-Exempt Rate), or, if such day is not a Business Day, on the next succeeding Business Day, as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Series 2017 Bonds on such Business Day at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

(b) If the Interest Rate Mode for the Series 2017 Bonds is the Semi-Annual Tax-Exempt Rate, the interest rate on the Series 2017 Bonds for a particular Semi-Annual Tax-Exempt Rate Period shall be the rate established by the Remarketing Agent no later than 3:00 o'clock p.m. (New York time) on the 10th Business Day next preceding the first day of such Semi-Annual Tax-Exempt Rate Period as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Series 2017 Bonds on such first day at a price equal to the principal amount thereof.

(c) If the Interest Rate Mode for the Series 2017 Bonds is the Long-Term Tax-Exempt Rate, the interest rate on the Series 2017 Bonds for a particular Long-Term Tax-Exempt Rate Period shall be the rate established by the Remarketing Agent not later than the 15th Business Day preceding the first day of such Long-Term Tax-Exempt Rate Period as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Series 2017 Bonds on such first day at a price equal to the principal amount thereof.

(d) If the Interest Rate Mode for the Series 2017 Bonds is the Bank Hold Tax-Exempt Rate, the interest rate on the Series 2017 Bonds for a particular Bank Hold Tax-Exempt Rate Period shall be the rate established by the Remarketing Agent not later than the 15th Business Day preceding the first day of such Bank Hold Tax-Exempt Rate Period as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Series 2017 Bonds on such first day at a price equal to the principal amount thereof.

(e) If the Interest Rate Mode for the Series 2017 Bonds is the Bank Purchase Rate, the interest rate on the Series 2017 Bonds for a particular Bank Purchase Rate Period shall be a variable rate of interest equal to 65% of the sum of (1) the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.50%. The Bank Purchase Rate in effect from the Closing Date to the last day of March, 2017 shall be 2.26%.

(f) The Remarketing Agent shall provide the Institution, the Trustee, the Rating Service and the Tender Agent with Immediate Notice of the interest rates applicable to (a), (b) (c) and (d) above.

(g) If for any reason the interest rate on the Series 2017 Bonds is not determined by the Remarketing Agent pursuant to (a), (b) (c) or (d) above, the Interest Rate Mode for such Series 2017 Bonds shall remain the same and the interest rate for such

Series 2017 Bonds for the next succeeding Rate Period shall be the interest rate in effect for such Series 2017 Bonds for the preceding Rate Period.

(5) As provided in Section 2(C)(1) above, the Series 2017 Bonds shall bear interest in the same Interest Rate Mode.

(D) If the Institution causes the Conversion of the Interest Rate Mode of the Series 2017 Bonds to the Long-Term Tax-Exempt Rate, the Long-Term Tax-Exempt Rate Period applicable thereto shall be determined as follows:

(1) The Long-Term Tax-Exempt Rate Period shall be established by the Institution in the notice given pursuant to Section 2(F) hereof (the first such Long-Term Tax-Exempt Rate Period commencing on the Conversion Date for the Series 2017 Bonds to a Long-Term Tax-Exempt Rate) and thereafter each successive Long-Term Tax-Exempt Rate Period shall be the same as that so established by the Institution until a different Long-Term Tax-Exempt Rate Period is specified by the Institution in accordance with this Section (in which case, the duration of that Long-Term Tax-Exempt Rate Period shall control succeeding Long-Term Tax-Exempt Rate Periods) or until the occurrence of a Conversion Date. Each Long-Term Tax-Exempt Rate Period shall be one year or more in duration and shall end on the day next preceding an Interest Payment Date; provided that if the first Long-Term Tax-Exempt Rate Period commences on a Conversion Date other than a January 1 and July 1, such first Long-Term Tax-Exempt Rate Period shall be of a duration as close as possible to (but not in excess of) such Long-Term Tax-Exempt Rate Period and shall terminate on a day preceding an Interest Payment Date; and further provided that no Long-Term Tax-Exempt Rate Period shall extend beyond the Maturity Date of the Series 2017 Bonds.

(2) The Institution may change from one Long-Term Tax-Exempt Rate Period to another Long-Term Tax-Exempt Rate Period on any Conversion Date by notifying, in writing, the Trustee, the Issuer, the Credit Facility Issuer, the Tender Agent and the Remarketing Agent at least four (4) Business Days prior to the 30th day prior to the proposed effective date of the change. Such notice shall specify the last day of the next Long-Term Tax-Exempt Rate Period which shall be the earlier of the day before the Maturity Date of the Series 2017 Bonds or the day immediately preceding a January 1 and July 1 and which is one year or more after the effective date and, if such change is conditional, the interest rate limitations. Any such notice shall be accompanied by (a) an opinion of Independent Counsel stating that such change is authorized by this Indenture, (b) an opinion of Bond Counsel that such change will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017 Bonds, and (c) if the stated amount of the Credit Facility, if any, to be held by the Trustee after such change in the Long-Term Tax-Exempt Rate Period is increased over that of the then current Credit Facility, an opinion of reputable bankruptcy counsel (which may be counsel to the Institution) stating that payments of principal and interest on the Series 2017 Bonds from funds drawn on such Credit Facility will not constitute avoidable preferences with respect to the bankruptcy of the Institution under the Bankruptcy Code. Any change by the Institution of the Long-Term Tax-Exempt Rate Period may be made conditional on the interest rate being within certain limits established by the Institution. The Remarketing Agent shall establish what would be the interest rate for the proposed Long-Term Tax-Exempt Rate Period in accordance with Section 2(C) hereof. If the interest rate established by the Remarketing Agent is not within the limits established, then the change in the Long-Term Tax-Exempt Rate Period may be cancelled by the Institution, in which case the Institution's notice of the proposed change shall be of no effect and the Series 2017 Bonds shall

not be subject to any mandatory purchase pursuant to Section 304 hereof. Notice of such cancellation shall be promptly given to all Bondholders.

(3) The Trustee shall notify the Bondholders of any change in the Long-Term Tax-Exempt Rate Period proposed pursuant to Section 2(D)(2) hereof by first class mail, postage prepaid, at least 30 but not more than 60 days before the proposed effective date of such change. Each such notice shall state: (a) whether the change in the Long-Term Tax-Exempt Rate Period is conditional and, if conditional, the interest rate limitations established by the Institution, (b) that the interest rate for the new Long-Term Tax-Exempt Rate Period will be determined by the Remarketing Agent not later than the 15th Business Day preceding the first day of the new Long-Term Tax-Exempt Rate Period, (c) the effective date of the new Long-Term Tax-Exempt Rate Period, and (d) that the Series 2017 Bonds subject to such change in Long-Term Tax-Exempt Rate Period will be subject to mandatory purchase on the effective date in accordance with Section 304(B) hereof. Any notice provided under this Section 2(D)(3) shall be for informational purposes only and shall not waive or otherwise affect the mandatory purchase of the Series 2017 Bonds at the end of any Long-Term Tax-Exempt Rate Period as set forth in Section 304 of the Initial Indenture.

(E) If the Institution causes the Conversion of the Interest Rate Mode of the Series 2017 Bonds to the Bank Hold Tax-Exempt Rate, the Bank Hold Tax-Exempt Rate Period and other terms applicable thereto shall be determined as follows:

(1) Terms regarding interest and principal payment dates, length of the Bank Hold Tax-Exempt Rate Period, prepayment of the Series 2017 Bonds, mandatory tender, increased costs on Bondholders relating to state or federal regulatory changes or corporate tax law changes, or changes in interest rates relating to a Determination of Taxability and other related issues shall be subject to agreement between the Institution and the Bank.

(2) The Series 2017 Bonds during the Bank Hold Tax-Exempt Rate Period shall be in the denomination of \$100,000 and any integral multiple of \$5,000 in excess thereof.

(3) The Trustee shall surrender the Letter of Credit to the Bank upon conversion of the Series 2017 Bonds to the Bank Hold Tax-Exempt Rate and payment of the Purchase Price of the Series 2017 Bonds in the previous Interest Rate Mode to the Bondowners.

(4) The Institution shall comply with the Reimbursement Agreement while the Series 2017 Bonds bear interest at the Bank Hold Tax-Exempt Rate.

(5) Once the Series 2017 Bonds are converted to the Bank Hold Tax-Exempt Rate, while the Series 2017 Bonds remain in the Bank Hold Tax-Exempt Rate, the Series 2017 Bonds, or a portion thereof, may only be transferred upon (a) receipt by the Trustee of notice from (i) the Bank that a new Series 2017 Letter of Credit has been issued with respect to all Series 2017 Bonds then Outstanding or (ii) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to all Series 2017 Bonds then Outstanding, or (b) receipt by the Trustee of the following: (i) from the then-existing Holder of such Series 2017 Bonds, (x) evidence that the proposed new Holder is a Financial Institution and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017 Bonds (or any other Series 2017 Bonds) under any of the Securities Laws (or proof of registration under such Securities

Laws); and (ii) from the proposed new Holder, a certificate addressing any transfer issues relating to the Securities Laws, in form and substance satisfactory to the Issuer.

(6) The Book Entry System shall not apply to the Series 2017 Bonds while the Series 2017 Bonds bear interest at the Bank Hold Tax-Exempt Rate. While the Series 2017 Bonds bear interest at the Bank Hold Tax-Exempt Rate and are held by the Bank, principal and interest shall be paid directly to the Bank in accordance with the provisions of the Reimbursement Agreement.

(F) If the Institution desires to cause the Conversion of the Interest Rate Mode of the Series 2017 Bonds from one Interest Rate Mode (other than the Bank Purchase Rate) to another Interest Rate Mode, the following procedures shall apply thereto:

(1) The Interest Rate Mode for the Series 2017 Bonds is subject to Conversion to a different Interest Rate Mode from time to time in whole (and not in part) at the option of the Institution, such right to be exercised by notifying, in writing, the Trustee, the Credit Facility Issuer, the Tender Agent, the Issuer and the Remarketing Agent at least 4 Business Days prior to the 30th day prior to the effective date of such proposed Conversion. Such notice shall specify (a) the effective date, (b) the proposed Interest Rate Mode, (c) if the Conversion is to the Long-Term Tax-Exempt Rate, the end of the Long-Term Tax-Exempt Rate Period and what the interest rate for the proposed Long-Term Tax-Exempt Rate Period would have been if such rate had been determined immediately prior to the mailing of such notice and (d) if such Conversion is conditional, the interest rate limitations established by the Institution. The notice must be accompanied by (i) an opinion of Independent Counsel stating that the Conversion is lawful under the NFPCL and the Certificate and permitted by this Indenture, (ii) an opinion of Bond Counsel stating that the Conversion will not, in and of itself, adversely affect the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes, (iii) a resolution of the directors of the Issuer authorizing and approving the Conversion, and (iv) if the stated amount of the Credit Facility, if any, to be held by the Trustee after such Conversion is increased over that of the then current Credit Facility, an opinion of reputable bankruptcy counsel (which may be counsel to the Institution) stating that payments of principal and interest on the Series 2017 Bonds from funds drawn on such Credit Facility will not constitute avoidable preferences with respect to the bankruptcy of the Institution under the Bankruptcy Code. Any Conversion by the Institution of the Interest Rate Mode to the Long-Term Tax-Exempt Rate may be made conditional on the initial interest rate determined for such Interest Rate Mode being within certain limits established by the Institution in the notice referred to above. The Remarketing Agent shall establish what would be the interest rate for the proposed Interest Rate Mode in accordance with Section 2(C) hereof. If the interest rate so established by the Remarketing Agent is not within the limits established, then such Conversion may be cancelled by the Institution, in which case the Institution's notice of Conversion shall be of no effect, the terms of the Series 2017 Bonds shall continue as they were prior to the proposed Conversion and the Series 2017 Bonds shall not be subject to any mandatory purchase pursuant to Section 304 hereof. Notice of such cancellation shall be given promptly to all Bondholders.

(2) Any Conversion of the Interest Rate Mode for the Series 2017 Bonds pursuant to Section 2(F)(1) above must comply with the following:

(a) the Conversion Date must be an Interest Payment Date which is a date on which the Series 2017 Bonds are subject to extraordinary optional redemption pursuant to

Section 301(A) or optional redemption pursuant to Section 301(A) or Section 301(B) of the Initial Indenture;

(b) the Conversion Date must be a Business Day; and

(c) the Credit Facility, if any, to be held by the Trustee must cover accrued interest for the Series 2017 Bonds for 35 days, if the Conversion is to the Weekly Tax-Exempt Rate, or for 183 days, if the Conversion is to the Semi-Annual Tax-Exempt Rate or the Long-Term Tax-Exempt Rate.

(3) The Trustee shall notify the Bondholders of each Conversion by first class mail, postage prepaid, at least 30 days but not more than 60 days before the Conversion Date. Each such notice shall state: (a) that the Interest Rate Mode will be converted and what the new Interest Rate Mode will be; (b) the Conversion Date; (c) if the Conversion is to the Long-Term Tax-Exempt Rate, whether the Conversion is conditional, and, if conditional, the interest rate limitations set by the Institution; and (d) that the Series 2017 Bonds will be subject to mandatory purchase on the Conversion Date in accordance with Section 304(B) of the Initial Indenture. If the Conversion is to the Long-Term Tax-Exempt Rate, the notice will also state the information required by Section 2(D)(3) hereof. Any notice provided under this Section 2(F)(3) shall be for informational purposes only and shall not waive or otherwise affect the mandatory purchase of such Series 2017 Bonds on a Conversion Date as set forth in Section 304(B) of the Initial Indenture.

(4) Notwithstanding any provision of this Section 2, the Interest Rate Mode shall not be converted if (a) the Remarketing Agent has not determined the initial interest rate for the new Interest Rate Mode in accordance with this Section 2 or (b) the Trustee shall receive written notice prior to such Conversion that any opinion or resolution required under Section 2(F)(1) has been rescinded. If the Trustee shall have sent any notice to the Bondholders regarding a Conversion of the Interest Rate Mode under Section 2(F)(3), the Trustee shall promptly notify all Bondholders of such rescission and the cancellation of any mandatory purchase pursuant to Section 304(B) of the Initial Indenture.

(G) Conversion from the Bank Purchase Rate Mode. (1) Notwithstanding anything to the contrary in this Supplemental Indenture, at the option of the Issuer upon direction of the Institution, the rate of interest payable on all (but not less than all) of the Series 2017 Bonds may be converted from the Bank Purchase Rate Mode to a new Interest Rate Mode at any time.

(2) In order to direct the Issuer to so exercise its option, the Institution shall deliver forty-five (45) days' prior written notice to the Notice Parties directing the Issuer to exercise its option for Conversion to another Interest Rate Mode. The notice shall specify (1) the effective date upon which the Conversion is to occur, which shall be the first day of a LIBOR Interest Period not less than forty-five (45) days nor more than sixty (60) days following the receipt of the conversion notice by such Notice Parties, (2) the date on which the Remarketing Agent is to establish the interest rate for the new Interest Rate Mode, which date shall be not less than two (2) Business Days, nor more than fifteen (15) Business Days, prior to the Conversion Date, and (3) the rating, if any, expected to be assigned to the Series 2017 Bonds upon Conversion based on the credit of the Institution or the Credit Facility Issuer, if any, on the Conversion Date. The notice shall be accompanied by an opinion of Bond Counsel as required by this Section. Upon the date stated in the notice for the determination of the interest rate, the Remarketing Agent shall determine the

interest rate in accordance with Section 209(C), (D) or (E), as applicable, of this Indenture. Notwithstanding the preceding, the new interest rate shall not be established if:

(a) on or before the Conversion Date, there shall not have been supplied to the Trustee and the Issuer an opinion of Bond Counsel to the effect that: (1) the Conversion to a new Interest Rate Mode in accordance with the provisions of the Indenture is authorized or permitted by the Indenture and the Enabling Act, (2) the Conversion will not adversely affect the validity of the Series 2017 Bonds, and (3) from and after the Conversion Date, interest on the Series 2017 Bonds will be excluded from gross income from federal income tax purposes; or

(b) on or prior to 3:00 P.M. (New York City time), on the Conversion Date, the Tender Agent does not receive the entire Purchase Price of the Series 2017 Bonds, tendered or deemed tendered for purchase, equal to at least the principal amount thereof together with accrued interest to the Conversion Date, from the Remarketing Agent; or

(c) except with respect to Conversion to the Bank Hold Rate Mode, a Credit Facility shall not be in full force and effect for the Series 2017 Bonds.

On the Conversion Date, all of the Bonds shall be converted to the new Interest Rate Mode, and the Bank shall tender all of the Series 2017 Bonds to the Tender Agent for purchase at the Purchase Price thereof.

In the event any of the conditions specified in clauses (a) – (c) of this Section 2(2)(G) shall not occur by 3:30 P.M. (New York City time), on the proposed Conversion Date specified in the notice given pursuant to the second paragraph of this Section 2(G), the Conversion shall be deemed not to have occurred. The Trustee shall promptly notify the Bank that the Conversion of the interest rate on the Series 2017 Bonds did not occur and the Series 2017 Bonds shall continue to bear interest at the Bank Purchase Rate.

(H) The determination of each interest rate in accordance with the terms of this Supplemental Indenture shall be conclusive and binding upon the Owners of the Series 2017 Bonds, the Issuer, the Institution, the Trustee, each Paying Agent, the Tender Agent, the Remarketing Agent and the Credit Facility Issuer, if any.

(I) The Series 2017 Bonds are subject to mandatory redemption prior to maturity as provided in Section 301(A), 301(C) and Section 301(D) of the Initial Indenture.

**SECTION 3. DELIVERY OF THE SERIES 2017 BONDS.** Upon the execution and delivery of this Series 2017 Supplemental Indenture, the Issuer shall execute and deliver the Series 2017 Bonds (including a reasonable number of additional Series 2017 Bonds to be retained by the Trustee for authentication and delivery upon transfer or exchange of any Series 2017 Bonds) to the Trustee, and the Trustee shall authenticate and deliver the Series 2017 Bonds to the purchasers thereof pursuant to the Bond Purchase Agreement, upon receipt by the Trustee of the following:

(A) a certified copy of the Series 2017 Bond Resolution;

(B) executed counterparts of this Series 2017 Supplemental Indenture and the Series 2017 Financing Documents;

(C) a request and authorization to the Trustee on behalf of the Issuer signed by an Authorized Representative of the Issuer to deliver the Series 2017 Bonds to the purchasers thereof upon payment to the Trustee for the account of the Issuer of the purchase price therefor;

(D) signed copies of the opinions of counsel to the Issuer, the Institution, and of Bond Counsel;

(E) the certificates and policies, if available, of the insurance required by the Loan Agreement;

(F) proof of compliance with SEQRA;

(G) evidence that a completed Internal Revenue Service Form 8038 with respect to the Series 2017 Bonds has been signed by the Issuer; and

(H) such other documents as the Trustee, the Bank or Bond Counsel may reasonably require.

SECTION 4. REDEMPTION OF SERIES 2017 BONDS PRIOR TO MATURITY. The provisions of Section 301 of the Initial Indenture shall be applicable to the Series 2017 Bonds.

SECTION 5. RESERVED.

SECTION 6. APPLICATION OF PROCEEDS OF SERIES 2017 BONDS. The Series 2017 Bonds are a draw down loan. The proceeds of the Series 2017 Bonds to be advanced after the Closing Date will, pursuant to the provisions of the Continuing Covenants Agreement and upon satisfaction of the conditions to each such advance set forth in the Continuing Covenants Agreement, be advanced directly to the Institution by the Agent on behalf of the Holder. On the Closing Date, the Holder will advance the proceeds of the Series 2017 Bonds (including the portion of the proceeds of the Series 2017 Bonds to be advanced on the Closing Date, but excepting the balance of the proceeds of the Series 2017 Bonds) to the Agent in a single advance for disbursement and payment of certain costs and expenses incidental to the issuance of the Series 2017 Bonds. The Institution shall use Bond Proceeds (as may be advanced in accordance with the Continuing Covenants Agreement by the Agent) for the purpose of paying Project Costs subject to and in compliance with the 2017 Tax Documents and the Continuing Covenants Agreement. The Agent shall notify the Trustee of the amount and date of each draw of the Series 2017 Bonds promptly after the date thereof.

SECTION 7. FORM OF SERIES 2017 BONDS. While the Series 2017 Bonds bear interest in the Bank Purchase Rate Mode, the Series 2017 Bonds shall be in substantially the form of Schedule I attached hereto, and while the Series 2017 Bonds bear interest in any Interest Rate Mode except the Bank Purchase Rate Mode, the Series 2017 Bonds shall be in substantially the form of Schedule II attached hereto.

SECTION 8. RECORDING AND FILING. (A) The Liens on the Series 2017 Project Facility created by the Financing Documents (if any) shall be perfected by the recording by the Issuer, at the sole cost and expense of the Institution, of the relevant Series 2017 Financing Documents in the office of the County Clerk of Otsego County, New York. The security interests of the Trustee created by this Series 2017 Supplemental Indenture and the other relevant Series 2017 Financing Documents and the security interests of the Issuer assigned to the Trustee shall be perfected by the filing by the Institution (which filings the Institution agrees to make), in the office of the County Clerk of Otsego County, New York, and in the office of the New York State Department of State, Uniform Commercial Code Unit, of financing and continuation statements required to be filed pursuant to the Uniform Commercial Code of the State in order to perfect and to maintain the perfection of the security interests created by this Series 2017 Supplemental Indenture and the other Financing Documents.



(B) The Institution shall be responsible for the costs incurred by the Trustee, the Agent, and the Issuer under this Section.

SECTION 9. SUCCESSORS AND ASSIGNS. This Series 2017 Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

SECTION 10. SEVERABILITY. If any provision of this Series 2017 Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

SECTION 11. APPLICABLE LAW. This Series 2017 Supplemental Indenture shall be governed by the applicable laws of the State.

SECTION 12. COUNTERPARTS. This Series 2017 Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

SECTION 13. PROVISIONS OF SERIES 2017 SUPPLEMENTAL INDENTURE CONSTRUED WITH THE INITIAL INDENTURE. All of the covenants, agreements and provisions of this Series 2017 Supplemental Indenture shall be deemed to be and shall be construed as part of the Initial Indenture, as amended and supplemented by the Series 2012A Supplemental Indenture, and vice versa to the same extent as if fully set forth verbatim therein and herein. In the event of any variation or inconsistency between any covenant, agreement or provision contained in the Initial Indenture, as amended and supplemented by the Series 2012A Supplemental Indenture, and any covenant, agreement or provision contained in this Series 2017 Supplemental Indenture, such covenant, agreement or provision contained herein shall govern.

SECTION 14. INITIAL INDENTURE AS AMENDED TO REMAIN IN EFFECT. Except as amended by this Series 2017 Supplemental Indenture, the Initial Indenture, as amended and supplemented by the Series 2012A Supplemental Indenture, shall remain in full force and effect and the terms and conditions thereof are hereby confirmed and shall be applicable to the Bonds.

SECTION 15. CONSENT OF THE INSTITUTION AND BANK. This Series 2017 Supplemental Indenture shall not take effect unless and until the Institution and the Bank shall execute and deliver to the Trustee its written consent to this Series 2017 Supplemental Indenture.

SECTION 16. PAYMENTS TO AGENT WHILE SERIES 2017 BONDS ARE IN BANK PURCHASE RATE MODE OR BANK HOLD RATE MODE. Notwithstanding anything to the contrary in this Series 2017 Supplemental Indenture, while the Series 2017 Bonds bear interest at the Bank Purchase Rate or the Bank Hold Rate, all amounts payable on the Series 2017 Bonds, whether interest or LIBOR Breakage Fee thereon, or principal, redemption price or Purchase Price thereof, shall be paid directly to the Agent on behalf of the Holder as Owner of the Bonds and the provisions of Sections 405, 406, and 408 of the Initial Indenture detailing the payment of the Series 2017 Bonds shall be ineffective.

SECTION 17. DEMAND FOR PURCHASE WHILE BONDS ARE IN BANK PURCHASE RATE MODE. (A) With respect to the Initial Bonds, while in the Bank Purchase Rate Mode, notwithstanding anything to the contrary in the Initial Indenture, the Initial Bonds shall be subject to demand for purchase at the election of the Bank (1) in whole on or after September 1, 2020 and every five years thereafter upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date or (2) in whole upon the Business Day following the date upon which the Bank shall notify the

Institution, the Issuer and Trustee that an Event of Default has occurred and is existing under the Bond Purchase Agreement and directing that the Initial Bonds be purchased by the Institution, as provided herein and in the respective form of Bond attached to the Initial Indenture as Schedule I. In the event the Purchase Price equal to 100% of the principal amount of the Initial Bonds plus accrued and unpaid interest to the Purchase Date is not paid on the Purchase Date or is deemed paid by the Bank, the Bank may direct the Trustee to cancel the Initial Bonds; (B) with respect to the Series 2012A Bonds, while in the Bank Purchase Rate Mode, notwithstanding anything to the contrary in the Series 2012A Supplemental Indenture, the Series 2012A Bonds shall be subject to demand for purchase at the election of the Bank (1) in whole on or after July 1, 2022 and thereafter every ten years on July 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date or (2) in whole upon the Business Day following the date upon which the Bank shall notify the Institution, the Issuer and Trustee that an Event of Default has occurred and is existing under the Bond Purchase Agreement and directing that the Series 2012A Bonds be purchased by the Institution, as provided herein and in the respective form of Bond attached to the Series 2012A Supplemental Indenture as Schedule I. In the event the Purchase Price equal to 100% of the principal amount of the Series 2012A Bonds plus accrued and unpaid interest to the Purchase Date is not paid on the Purchase Date or is deemed paid by the Bank, the Bank may direct the Trustee to cancel the Series 2012A Bonds; and (C) with respect to the Series 2017 Bonds, while in the Bank Purchase Rate Mode, notwithstanding anything to the contrary in the Series 2017 Supplemental Trust Indenture, the Series 2017 Bonds shall be subject to demand for purchase at the election of the Agent (1) with respect to the Series 2017A Bonds and Series 2017C Bonds, in whole on or after March 1, 2027 and thereafter every ten years on March 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date or (2) in whole upon the Business Day following the date upon which the Agent shall notify the Institution, the Issuer and Trustee that an Event of Default has occurred and is existing under the Bond Purchase Agreement and directing that the Series 2017 Bonds be purchased by the Institution, as provided herein and in the respective form of Bond attached to the Series 2017 Supplemental Indenture as Schedule I. In the event the Purchase Price equal to 100% of the principal amount of the Series 2017 Bonds plus accrued and unpaid interest to the Purchase Date is not paid on the Purchase Date or is deemed paid by the Bank, the Bank may direct the Trustee to cancel any or all of the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds.

SECTION 18. RESERVE FUND. Notwithstanding anything to the contrary in the Initial Indenture, amounts held in the Reserve Fund shall not be transferred to the Bond Fund to be used to pay Debt Service Payments on the Series 2017 Bonds. The Series 2017 Bonds are not secured by the Reserve Fund. The Reserve Fund Requirement with respect to the Series 2017 Bonds is \$0.

IN WITNESS WHEREOF, the Issuer has caused this Series 2017 Supplemental Indenture to be executed by its Chairman or Vice Chairman and the Trustee has caused this Series 2017 Supplemental Indenture to be executed by one of its Assistant Vice Presidents or corporate trust officers, all as of the day and year first above written.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

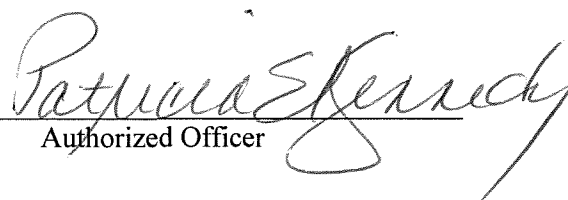
BY:   
(Vice) Chairman

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: \_\_\_\_\_  
Authorized Officer

The Institution hereby approves, consents to and agrees to be bound by all of the terms and provisions of the Series 2017 Supplemental Indenture insofar as such terms or provisions, directly or indirectly, relate to, apply to, require or prohibit action by or deal with the Institution, or Property of the Institution, including, without limitation, the Project Facility, and including, but not limited to, all provisions for the deposit or payment of moneys to funds held by the Trustee under the Indenture. The Institution hereby agrees, at its own expense, to do all things and take all actions as shall be necessary to enable the Issuer to perform its obligations under the Indenture.

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

IN WITNESS WHEREOF, the Issuer has caused this Series 2017 Supplemental Indenture to be executed by its Chairman or Vice Chairman and the Trustee has caused this Series 2017 Supplemental Indenture to be executed by one of its Assistant Vice Presidents or corporate trust officers, all as of the day and year first above written.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: \_\_\_\_\_  
(Vice) Chairman

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: Maureen A. Auld  
Authorized Officer

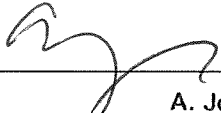
The Institution hereby approves, consents to and agrees to be bound by all of the terms and provisions of the Series 2017 Supplemental Indenture insofar as such terms or provisions, directly or indirectly, relate to, apply to, require or prohibit action by or deal with the Institution, or Property of the Institution, including, without limitation, the Project Facility, and including, but not limited to, all provisions for the deposit or payment of moneys to funds held by the Trustee under the Indenture. The Institution hereby agrees, at its own expense, to do all things and take all actions as shall be necessary to enable the Issuer to perform its obligations under the Indenture.

SPRINGBROOK NY, INC.

BY: \_\_\_\_\_  
Authorized Officer

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

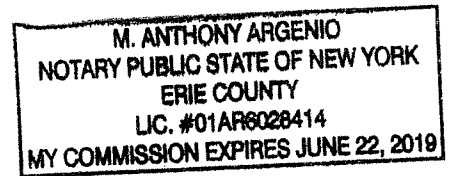
On the 23<sup>rd</sup> day of February, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared DEVIN MORGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public  
A. Joseph Scott III  
Notary Public, State of New York  
Qualified in Albany County  
No. 02SC4811591  
Commission Expires December 31, 2018

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

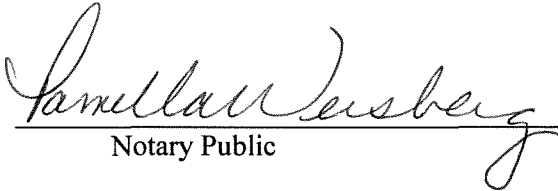
On the 17<sup>th</sup> day of March, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Maureen A. Auld, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

M. Argenio  
Notary Public



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

On the 24<sup>th</sup> day of March, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared PATRICIA E. KENNEDY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

SCHEDULE I

FORM OF SERIES 2017[A][B][C] BOND  
(WHILE IN BANK PURCHASE RATE MODE)

**Any Bondholder who fails to deliver this Bond for purchase at the times and at the place required herein shall have no further rights hereunder except the right to receive the purchase price hereof upon presentation and surrender of this Bond to the Trustee as described herein, and shall hold this Bond as agent for the Trustee.**

**This Bond has not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and this Bond may not be transferred or pledged except upon either (1) receipt by the Trustee of notice from (a) the Bank that a Letter of Credit has been issued with respect to the Series 2017[A][B][C] Bonds then Outstanding or (b) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017[A][B][C] Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of this Bond the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017[A][B][C] Bonds under any of the Securities Laws (or proof of registration under such Securities Laws).**

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(a not-for-profit corporation of the State of New York)  
TAX-EXEMPT MULTI-MODE VARIABLE RATE  
REVENUE BOND  
(THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017[A][B][C]

NO.: 2017[A][B][C]R-1	PRINCIPAL AMOUNT: UP TO \$ _____
INTEREST RATE: the Bank Purchase Rate, except as set forth below	MATURITY DATE: March 1, 20__
DATED DATE: March __, 2017	CUSIP NO: _____
REGISTERED OWNER: Citizens Funding Corp.	

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, or its registered successors or assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the principal sum of up to \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) with interest thereon or on so much thereof as is from time to time outstanding and unpaid hereunder (hereinafter called the "Principal Balance") (determined as of the close of each day) from the dated date until such Principal Balance is paid in full. The Principal Balance (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360 day year for the actual number of days elapsed) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or



before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such other date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on the last day of each LIBOR Interest Period while the Series 2017 Bonds (as hereinafter defined) are in the Bank Purchase Rate Mode (each an "Interest Payment Date"). Capitalized terms used in this Bond which are not otherwise defined herein shall have the meanings ascribed to them in the trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee") for the holders of the Initial Bonds, and the supplemental indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture" and together with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, being collectively referred to as the "Indenture") that was entered into by and between the Issuer and the Trustee. Commencing on [\_\_\_\_\_, 20\_\_], principal payments shall be made and continued thereafter on the first day of each calendar month in accordance with the principal payment Schedule attached hereto and made a part hereof. [*Series 2017C Bonds Only*: Prior to the first principal payment, the Holder and Institution may revise the principal payments based on the actual principal advanced on this Bond and shall revise the schedule to reflect the agreed upon principal payments; provided that, the Maturity Date shall not be extended.]

The principal of this Bond due on the Maturity Date shall be paid on the Maturity Date upon presentation and surrender hereof at the corporate trust office presently located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York 14203 (the "Office of the Trustee") of the Trustee under the Indenture, or at the duly designated office of any successor trustee under the Indenture.

Payment of the principal of and interest on the Bonds shall be made for the account of the Issuer by check delivered or mailed by the Institution (as hereinafter defined) to Citizens Bank, N.A. (the "Agent"), as administrative agent of Citizens Funding Corp. (the "Holder" or the "Bondowner"), at 250 South Clinton Street, Syracuse, New York 13202 or in such other manner as the Agent may determine from time to time.

#### (Project Description)

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017[A][B][C]" in the aggregate principal amount of \$ \_\_\_\_\_ (the "Series 2017 Bonds"). The Series 2017 Bonds are issued for the purpose of assisting in providing financing to the Issuer for a project (the "Series 2017 Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York, which Series 2017 Project consists of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Land (collectively, the "Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds;

(C) paying a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from certain mortgage recording taxes.

As provided in the Indenture, additional Series of Bonds (the “Additional Bonds”, and collectively with the Series 2017 Bonds, the “Bonds”) may be issued from time to time pursuant to supplements to the Indenture on a parity with, and secured and payable equally and ratably with, all other Series of Bonds issued under the Indenture, which Additional Bonds may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture and the supplement thereto authorizing any such Series of Additional Bonds. The aggregate principal amount of Bonds which may be issued under the Indenture is not limited, except as otherwise provided in the Indenture.

(Calculation of Interest)

This Series 2017 Bond shall bear interest as follows:

(1) Interest. The Series 2017 Bonds shall bear interest at the Bank Purchase Rate. After the occurrence and during the continuance of any Event of Default, this Bond will, at the option of the Agent, bear interest at a rate per annum which at all times shall be equal to the sum of (i) four (4%) percent per annum plus (ii) the Bank Purchase Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within fifteen (15) days after the same is due, the Institution shall pay to the Agent a late fee equal to \$100.

(2) Increased Costs; Capital Adequacy. (a) If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Bondowner with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a “Regulatory Change”):

(i) shall subject such Bondowner to any imposition or other charge with respect to any amounts due under the Indenture or any Bonds (except for changes in the rate of tax on the overall net income of such Bondowner); or

(ii) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, such Bondowner or shall impose on such Bondowner any other condition affecting payments under the Indenture or any Bonds or such Bondowner’s rights to receive such payment

and the result of any of the foregoing is to increase the cost to a Bondowner of making or maintaining the investment evidenced by any Bonds or to reduce the amount of any sum received or receivable by such Bondowner under the Indenture or under any Bonds by an amount deemed by such Bondowner to be material, then, upon demand by such Bondowner and receipt by the Institution of a certificate from such Bondowner setting forth its calculation of the amount owed, the Institution shall forthwith pay to such Bondowner such additional amount or amounts as will compensate such Bondowner for such increased costs or reduction in receipts.

(b) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by a Bondowner, or any person controlling such Bondowner, and such Bondowner determines (in its sole and absolute discretion) that the rate of return on its or such controlling person's capital as a consequence of such Bondowner's ownership of the Bonds are reduced to a level below that which such Bondowner or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Bondowner (or the Agent on behalf of a Bondowner) to the Institution, the Institution shall immediately pay directly to such Bondowner (or the Agent on behalf of a Bondowner) additional amounts sufficient to compensate such Bondowner or such controlling person for such reduction in rate of return. A statement of the relevant Bondowner (or the Agent on behalf of a Bondowner) as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Institution. In determining such amount, the relevant Bondowner may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

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

(d) No failure on the part of any Bondowner to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of any Bondowner to deliver any certificate in a timely manner shall in any way reduce any obligation of the Institution to any Bondowner under this subsection (d). If a Bondowner has granted a participation in any Bonds, the Institution's obligations to such Bondowner under this subsection (D) will be computed as if such participation had not taken place, with the relevant Bondowner to be responsible for payments to the participants in accordance with the relevant participation agreements.

(e) Notwithstanding the foregoing, the "Regulatory Changes" to which this paragraph (2) applies will not be deemed to include any change the result of which is a Determination of Taxability, as defined in paragraph (4).

(3) Corporate Tax Rate Changes. (a) If the Maximum Marginal Statutory Tax Rate (as defined below) imposed upon income of corporations generally (whether or not any Bondowner is actually taxed at said maximum marginal statutory rate) decreases for any period during which the Bonds are outstanding, the factor of 65% ("Tax-Exempt Rate Factor") used in calculating the interest rate on the Series 2017 Bonds shall be increased, proportionately, so that, for example, if the maximum marginal statutory corporate tax rate is zero, the interest rate on the Bonds will be equal to the Adjusted LIBOR Rate, as determined by the Bondholder for each LIBOR Interest Period, plus 2.50%. If the maximum marginal statutory corporate tax rate increases after the date of issuance of the Bonds, the Bank may in its sole discretion decrease the 65% factor.

(i) For example, the new Tax-Exempt Rate Factor would be the product of (x) one minus the Maximum Marginal Statutory Rate times (y) 1.53846 times (z) 65%. The Tax-Exempt

Rate Factor will change on the first day of the month next succeeding the effective date of the enactment of legislation decreasing the Maximum Marginal Statutory Tax Rate.

(b) “Maximum Marginal Statutory Tax Rate” means the tax rate assessed on the highest tax bracket of income to be imposed upon domestic corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as amended (or corresponding section in any future enacted federal income tax law). As of the date of this Agreement, the current Maximum Marginal Statutory Rate is 35% and the Tax-Exempt Factor Rate is 65%.

(4) Taxability of Interest. (a) Determination of Taxability. A “Determination of Taxability,” with respect to the Bonds shall occur upon (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 Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holder of the Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on the Bonds is not excluded from gross income for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (1) unless the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) offers the Institution the opportunity to control the contest thereof, provided the Institution shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder against all liabilities in connection therewith, and (2) until the expiration of all periods for judicial review or appeal.

(b) Reimbursement. The Institution will promptly reimburse each owner of Bonds subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such owner in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on the Bonds in the federal gross income of such owner prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the owner to the extent of any recovery thereof from the United States.

(c) No Damages. The payments provided for in this section are in lieu of any damages which might otherwise be payable to the Bondowner by reason of the taxability of interest on the Bonds, and the obligations of the Institution under this section shall survive the defeasance of the Indenture and the termination of the lien hereof and the payment of the Bonds.

(5) Conversion to and from the Bank Purchase Rate Mode.

(a) The Series 2017 Bonds may be converted in whole to the Bank Purchase Rate Mode by taking such actions and giving such notices as are required under the Indenture for such conversion.

(b) Conversion from the Bank Purchase Rate Mode. The Institution may convert the Series 2017 Bonds bearing interest in the Bank Purchase Rate Mode to a new Interest Rate Mode

in whole, effective on any Bank Tender Purchase Date at any time, only upon (i) receipt by the Trustee of notice from (x) a Credit Facility Issuer that a Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (y) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, (ii) 30 days' written notice to the Trustee and the Bondowner and (iii) compliance with the requirements of the Indenture for conversion to the new Interest Rate Mode. The Series 2017 Bonds shall be subject to mandatory tender for purchase in connection with any such Conversion.

(6) Usury. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2017 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(7) Book Entry System. The Book Entry System shall not apply to the Series 2017 Bonds while the Series 2017 Bonds are in the Bank Purchase Rate Mode.

(Purchase on Demand)

This Bond will be subject to demand for purchase at the election of the Agent (1) with respect to the Series 2017A Bonds and Series 2017C Bonds, in whole on March 1, 2027 and thereafter every ten (10) years on March 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date (the "Tender Option") or (2) in whole upon the Business Day immediately following the date upon which the Agent shall notify the Institution, the Issuer and the Trustee that an Event of Default has occurred and is existing under the Continuing Covenant Agreement and directing that the Bonds be purchased by the Institution. On or before March 1, 2026 and on or before March 1 of every tenth (10th) year thereafter, the Institution may request in writing that the Agent not exercise the Tender Option on the following March 1. Any agreement not to exercise any other or future Tender Option on the following March 1 shall be in the Agent's sole discretion. The Institution hereby acknowledges that the Agent's willingness not to exercise the Tender Option on the following March 1 shall not obligate the Agent to waive the Agent's right to exercise its Tender Option. The Agent will notify the Institution within ninety (90) days after the Agent's receipt of the Institution's written request therefor of whether or not the Agent agrees not to exercise the Tender Option. In the event that the Agent waives and agrees not to exercise the Tender Option on the following March 1 and such waiver and agreement is subject to the condition that the Bank Purchase Rate or other terms of the Bonds or the Continuing Covenant Agreement be modified, such modification shall not take effect and the Tender Option on the following March 1 shall not be waived unless the Agent shall have been furnished with, at the Institution's expense, an opinion of Bond Counsel acceptable to the Agent to the effect that such modifications will not adversely affect the exclusion from federal income taxation of interest on the Series 2017 Bonds.

During the Bank Purchase Rate Period, the Series 2017 Bonds are also subject to tender for mandatory purchase on any Purchase Date in connection with Conversion of the Series 2017 Bonds to bear interest in another Interest Rate Mode at a price equal to 100% of the outstanding principal amount thereof, plus accrued interest to the purchase date upon 30 days' written notice from the Institution to the Trustee and the Bondowner.

Owners of Bonds required to be tendered shall be required to deliver their Bonds to the Trustee upon payment of the Purchase Price, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Any such Bonds not so delivered on such Purchase Date ("Undelivered Bonds"), for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay the Purchase Price (as defined below) of such Undelivered Bonds, shall be deemed to have been purchased pursuant to the Indenture.

IN THE EVENT OF A FAILURE BY AN OWNER OF BOND REQUIRED TO BE TENDERED TO DELIVER ITS BOND ON OR PRIOR TO THE PURCHASE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE ON OR SUBSEQUENT TO SUCH PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BOND, AND ANY SUCH UNDELIVERED BOND SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF PAYMENT OF THE PURCHASE PRICE THEREFOR.

(Security for the Bonds)

The Bonds are issued under and is equally and ratably secured by the Indenture, except that the Series 2017 Bonds are not secured by the Reserve Fund. The Indenture grants the Trustee a first security interest in the Trust Revenues (as defined in the Indenture).

**During the Bank Purchase Rate Period, the Series 2017 Bonds are not secured by a Letter of Credit.** While the Series 2017 Bonds are in the Bank Purchase Rate Mode, in all cases in which the Trustee is requested to effect the transfer or exchange of an Series 2017 Bonds, or a portion thereof, the Trustee shall authenticate and deliver such Series 2017 Bonds (or portion thereof) only upon (1) receipt by the Trustee of notice from (i) the Bank that a new Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (ii) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of such Series 2017 Bonds, the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017 Bonds (or any other Series 2017 Bonds) under any of the Securities Laws (or proof of registration under such Securities Laws).

As security for payment of the Institution's obligations under the Loan Agreement, the Institution has granted a first mortgage Lien on and security interest in the Mortgaged Property to the Issuer and the Agent pursuant to a building loan, mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 (the "Series 2017 Mortgage"). The Issuer has assigned the Series 2017 Mortgage to the Agent.

As additional security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Loan Agreement (except the Unassigned Rights), including the right to receive loan payments and other amounts payable thereunder, pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Series 2017 Amendment to Pledge and Assignment, loan payments made by the Institution under the Loan Agreement are to be paid directly to the Trustee or the Credit Facility Issuer. Further security for the repayment of the Bonds, the Loan Agreement, and the Bond Purchase Agreement are provided by a guaranty dated as of March 1, 2017 (the "Series 2017 Guaranty of Foundation") from the Upstate Home for Children Foundation, Inc. to the Holder.

The Series 2017 Mortgage and the Series 2017 Mortgage Assignment were recorded in the office of the County Clerk of Otsego County, New York.

Reference is hereby made to the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Pledge and Assignment, and the Series 2017 Guaranty of Foundation, and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and

secured and the rights, duties and obligations of the Issuer, the Trustee, the Bank, the Institution and the Bondholders. Copies of such documents are on file in the Office of the Trustee.

THE BOND IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE SERIES 2017 MORTGAGE, THE SERIES 2017 PLEDGE AND ASSIGNMENT, AND THE SERIES 2017 GUARANTY OF FOUNDATION.

(General Optional Redemption)

During the Bank Purchase Rate Period, the Series 2017 Bonds are prepayable at the election of the Institution at par at any time, in whole or in part. The Institution shall notify the Trustee and the Bondowner of the date and amount of any such prepayment in writing at least 30 days in advance thereof. Upon any prepayment of all or any portion of the principal of the Series 2017 Bonds (including, for the purposes of this paragraph, any purchase of the Series 2017 Bonds from the Bondowner) on any day that is not the last day of the relevant LIBOR Interest Period (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Institution shall pay an amount (a "LIBOR Breakage Fee"), as calculated by the Bondowner, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Bondowner may sustain as a result of such prepayment. The Institution understands, agrees and acknowledges that: (a) the Bondowner does not have any obligation to purchase, sell and/or match funds in connection with the use of the Adjusted LIBOR Rate as a basis for calculating the rate of interest on the Series 2017 Bonds, (b) the Adjusted LIBOR Rate may be used merely as a reference in determining such rate, and (c) the Institution has accepted the Adjusted LIBOR Rate as a reasonable and fair basis for calculating the LIBOR Breakage Fee and other funding losses incurred by the Bondowner. The Institution further agrees to pay the LIBOR Breakage Fee and other funding losses, if any, whether or not the Bondowner elects to purchase, sell and/or match funds.

(Extraordinary Redemption)

The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, as a whole on any date, upon written notice or waiver of notice as provided in this Indenture, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if one or more of the following events shall have occurred:

(1) The Project Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed, at the direction of the Institution, with the Issuer, the Bank and the Trustee (a) the Project Facility cannot be reasonably restored within a period of nine (9) months from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such damage or destruction, or (c) the restoration cost of the Project Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(2) Title to, or the temporary use of, all or substantially all of the Project Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such

taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Agent and the Trustee; or

(3) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Project Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution is required by the Loan Agreement to deliver to the Issuer, the Agent, and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Project Facility for its intended purposes.

(Mandatory Redemption from Excess Proceeds)

The Bonds are also subject to redemption prior to maturity in whole or in part on any Interest Payment Date, without premium, (1) as provided in Section 406(G) of the Initial Indenture, in the event that and to the extent (a) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution, and (b) such excess moneys are not paid to the Institution pursuant to Section 406(G) of the Initial Indenture, (2) as provided in Section 404 of the Indenture, excess moneys remain in the Project Fund after the Completion Date (as defined in the Continuing Covenant Agreement), or (3) excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 3.6 of the Initial Loan Agreement, in each case to the extent of such excess. In any such event, the Series 2017 Bonds shall be redeemed, in whole or in part, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Mandatory Redemption Upon Failure to Operate  
Project Facility In Accordance With Applicable Law)

The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, on any Interest Payment Date, in the event the Issuer shall determine that the Institution is operating the Project Facility or any portion thereof in violation of material Applicable Law, and the failure of the Institution to cure such noncompliance within the time periods set forth in the Loan Agreement, upon written notice or waiver of notice as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the Redemption Date.

(Mandatory Redemption Upon Release of Any Part of,  
or Interest in, the Project Facility from the Lien of the Series 2017 Mortgage)

The Bonds are subject to redemption prior to maturity at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, in whole on any date or in part on any Interest Payment Date, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if the Institution takes any action described in Section 9.4(C) of the Initial Loan



Agreement. The Institution shall, within one hundred eighty (180) days after such action is taken, cause the Bonds to be redeemed in an amount equal to the amount of Bond Proceeds allocable to that part of the Project Facility that was the subject of such action.

(Mandatory Redemption Upon Receipt of Notice From the Agent)

The Bonds are also subject to redemption prior to maturity upon receipt by the Trustee of a written notice from the Agent of the occurrence and continuance of a default by the Institution under the Continuing Covenants Agreement and the Agent's election to compel redemption of the Bonds. In such event, the Bonds shall be redeemed, as a whole, in the manner provided in this Article III, on the earliest date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Procedures for Redemption)

Notice of the intended redemption of Bonds subject to redemption shall be given as provided in the Indenture. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred.

In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot (except that any Pledged Bonds shall be redeemed prior to any other Bonds). In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the outstanding Series of Bonds to be redeemed and by lot within a maturity.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

(Miscellaneous)

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal of this Bond may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Series 2017 Bonds are issuable in the denomination of \$100,000 or any integral multiple of \$1.00 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the Office of the Trustee, as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative. Upon

such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same Series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bonds shall be delivered.

The Person in whose name any Bonds shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, or premium if any or (subject to Section 207 of the Initial Indenture) interest on, any such Bonds shall be made only to or upon the order of the registered owner thereof or his duly authorized legal representative. Such registration may be changed only as provided in this Bond and in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of Bonds or be effective to transfer any Bonds. All payments to the Person in whose name any Bonds shall be registered (subject to said Section 207) shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums to be paid.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication of the Trustee shall be endorsed hereon.

THE BOND DOES NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BOND DOES NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, Otsego County Capital Resource Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or reproduced hereon, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date identified above.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: \_\_\_\_\_  
(Vice) Chairman

(SEAL)

ATTEST:

\_\_\_\_\_  
(Assistant) Secretary

(Form of Certificate of Authentication)

This Bond is one of the Bonds of the Series designated therein described in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: \_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Date of Authentication

[Form of Assignment for Transfer]

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

\_\_\_\_\_ the within Bonds and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bonds on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

## Schedule of Principal Payments

[To be Inserted]

SCHEDULE II

FORM OF SERIES 2017[A][B][C] BOND  
(WHILE IN ALL INTEREST RATE MODES EXCEPT THE BANK PURCHASE RATE MODE)

**Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York limited purpose trust company (“DTC”) to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.**

**Any Bondowner who fails to deliver this Bond for purchase at the times and at the place required herein shall have no further rights hereunder except the right to receive the Purchase Price hereof upon presentation and surrender of this Bond to the Trustee as described herein, and shall hold this Bond as agent for the Trustee.**

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(a not-for-profit corporation of the State of New York)  
TAX-EXEMPT MULTI-MODE VARIABLE RATE  
REVENUE BOND  
(THE SPRINGBROOK NY, INC. PROJECT, SERIES 2017[A][B][C])

NO.: [A][B][C]R-1

MATURITY DATE: \_\_\_\_\_

INTEREST RATE: as described below

DATED DATE: \_\_\_\_\_

REGISTERED OWNER: Cede & Co.

CUSIP NO.: \_\_\_\_\_

PRINCIPAL AMOUNT: \$ \_\_\_\_\_

Otsego County Capital Resource Corporation, a not-for-profit corporation of the State of New York (the “Issuer”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered Owner indicated above or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount set forth above (subject to reduction as hereinafter provided) and interest thereon from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid, to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for), initially at the Weekly Tax-Exempt Rate (as defined below) (subject to conversion to an alternate interest rate as described below), on the following dates (each, an “Interest Payment Date”): (A) while this Bond bears interest at the Weekly Tax-Exempt Rate, the first Thursday of each month, commencing with the first \_\_\_\_\_ of \_\_\_\_\_, 20\_\_; and (B) while this Bond bears interest at the Semi-Annual Tax-Exempt

Rate or the Long-Term Tax-Exempt Rate (as defined below), on January 1 and July 1 of each year; provided, that in any case the final Interest Payment Date shall be the Maturity Date.

The principal of, premium, if any, on and interest on this Bond is payable in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. The principal or redemption price of this Bond, and the interest due upon this Bond at maturity, shall be paid upon presentation and surrender hereof at the office of Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee"), presently located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York 14203 under the trust indenture dated as of \_\_\_\_\_ from time to time, as amended or supplemented, the "Indenture") by and between the Issuer and the Trustee, or at the duly designated office of any successor trustee under the Indenture. Reference is made to the Indenture for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Indenture. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Indenture.

Except when the Bonds are Book Entry Bonds, the installments of interest due on this Bond prior to maturity shall, as provided in the Indenture, be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on the Business Day next preceding any Interest Payment Date (the "Regular Record Date"), and shall be paid by check of the Trustee mailed by the Trustee on such Interest Payment Date to such registered Owner at his address appearing on the registration books of the Issuer, or at the written request of any Holder of Bonds in an aggregate principal amount of \$1,000,000 or greater be transmitted on such Interest Payment Date by wire transfer in immediately available funds at such Owner's written request to the bank account number on file with the Trustee, provided such Holder has delivered adequate instructions regarding same to the Trustee at least ten (10) Business Days prior to such Bond Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Owner on such Regular Record Date, and may be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a date for the payment of such Defaulted Interest to be fixed by the Trustee (the "Special Record Date"), notice whereof being mailed one time, first-class postage prepaid to registered Owners of the Bonds not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner as shall be determined by the Trustee. Notwithstanding anything herein to the contrary, when this Bond is registered in the name of a Depository (as hereinafter defined) or its nominee, the principal and redemption price of and interest on this Bond shall be payable in same day funds delivered or transmitted to the Depository or its nominee by 2:30 o'clock p.m. (New York time) on any date on which the principal and redemption price of and interest on any Bond is due and payable.

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017[A][B][C] in the principal amount of \$ \_\_\_\_\_" (the "Series 2017 Bonds"). The Series 2017 Bonds are issued for the purpose of assisting in providing financing to the Issuer for a project (the "Series 2017 Project") consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various



existing buildings and facilities located at the Land (collectively, the “Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Equipment”) (the Land, the Facility, the Improvements, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the refinancing and/or refunding of certain existing indebtedness incurred by or on behalf of the Institution to finance the construction, renovation and equipping of the Facility; (C) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (D) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; (E) the granting of exemptions from mortgage recording taxes; and (F) the loan of the proceeds of the Bonds to Springbrook NY, Inc. (the “Institution”) pursuant to the provisions of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement”) by and between the Issuer and the Institution. The Institution is required by the Series 2017 Amendment to Loan Agreement to make loan payments to the Trustee in the amounts and at the times necessary to pay the principal of and interest and any premium (the “Debt Service Payments”) on the Bonds.

To provide for the payment of the Debt Service Payments on the Bonds, the Issuer, in the Indenture, has (A) absolutely and irrevocably assigned to the Trustee all of the Issuer’s right, title and interest in and to (1) the Loan Agreement (except for the Issuer’s Unassigned Rights), and (2) the Credit Facility Account, the Redemption Premium Account, the Remarketing Proceeds Account and the Defeasance Account of the Bond Fund and all moneys and investments therein, including without limitation the proceeds of the Letter of Credit (as hereinafter defined), and (B) granted a security interest in all moneys and investments in the Project Fund and the Revenues (other than the above-referenced accounts of the Bond Fund, all moneys and investments therein and the proceeds of the Credit Facility).

The Debt Service Payments on the Bonds are payable solely from moneys held by the Trustee under the Indenture for such purpose, including moneys drawn by the Trustee under the Letter of Credit referred to below or such other credit facility, if any, as may then be held by the Trustee under the Indenture for the benefit of the Bondholders (the Letter of Credit or any such other credit facility is hereinafter referred to as the “Credit Facility”).

THE BOND IS A SPECIAL OBLIGATION OF THE ISSUER AND DOES NOT REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, AND WILL NOT BE SECURED BY AN OBLIGATION OR PLEDGE OF ANY MONEYS RAISED BY TAXATION. THE DEBT SERVICE PAYMENTS ON THE BOND WILL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED AND ASSIGNED BY THE ISSUER TO SECURE PAYMENT THEREOF BY THE INDENTURE.

As provided in the Indenture, additional Series of Bonds (the “Additional Bonds,” and collectively with the Series 2017 Bonds, the “Bonds”) may be issued from time to time pursuant to supplements to the Indenture on a parity with, and secured and payable equally and ratably with, all other Series of Bonds issued under the Indenture, which Additional Bonds may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture and the supplement thereto authorizing any such Series of Additional Bonds. The aggregate principal amount of Bonds which may be issued under the Indenture is not limited, except as otherwise provided in the Indenture.

If an Event of Default as defined in the Indenture occurs, the principal of all Bonds issued under the Indenture may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

This Bond is not valid unless the Certificate of Authentication endorsed hereon is duly executed.

(Determination of Interest Rates)

The Series 2017 Bonds initially shall bear interest at the Weekly Tax-Exempt Rate (hereinafter described), which rate shall continue in effect until converted to a different interest rate or rates determined for the "Interest Rate Mode" (as described more fully in the Indenture) selected by the Institution. The "Interest Rate Modes" which may be selected are as follows: (A) a Weekly Tax-Exempt Rate, in which the interest rate is determined on the 7th day preceding conversion to a Weekly Tax-Exempt Rate and on each Wednesday thereafter or, if not a Business Day, on the next succeeding Business Day; (B) a Semi-Annual Tax-Exempt Rate, in which the interest rate is determined on the tenth Business Day preceding each Semi-Annual Tax-Exempt Rate Period; and (C) a Long-Term Tax-Exempt Rate for a period of one year or more ending on an Interest Payment Date selected by the Institution, in which the interest rate is determined not later than the 15th Business Day preceding the 1st day of such Long-Term Tax-Exempt Rate Period. The Institution may from time to time convert the Interest Rate Mode for the Bonds to another Interest Rate Mode in accordance with the terms of the Indenture.

On any Interest Payment Date upon which the Bonds are subject to optional redemption, the Institution may from time to time cause the conversion of the Interest Rate Mode for the Bonds to another Interest Rate Mode (a "Conversion") in accordance with the terms of the Indenture. To cause a Conversion, the Institution shall deliver, at least 4 Business Days prior to the 30th day prior to the proposed effective date of such Conversion, written notice to the Trustee, the Credit Facility Issuer, the Tender Agent and the Remarketing Agent of the Institution's election to cause a Conversion. Notice of the intended Conversion of the interest rate on this Bond shall be given not more than 60 days nor less than 30 days prior to the proposed effective date of such Conversion by the Trustee one time by first class mail postage prepaid to the registered Owner of this Bond at the address of such Owner shown on the Trustee's bond register. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the Conversion of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred. On the Conversion Date, this Bond shall be subject to a Mandatory Tender for purchase as provided in Section 304 of the Indenture. Notwithstanding anything to the contrary contained in the Indenture or herein, such notice shall not be effective unless the Bank shall have consented thereto in writing and such notice is accompanied by:

(A) an opinion of Independent Counsel stating that the Conversion is authorized by the Indenture;

(B) if the stated amount of the Credit Facility, if any, to be held by the Trustee after such Conversion is increased over that of the then current Credit Facility, an opinion of reputable bankruptcy counsel stating that payments of principal and interest on the Bonds from funds drawn on such Credit Facility will not constitute avoidable preferences with respect to the bankruptcy of the Institution under the Bankruptcy Code;

(C) a resolution of the directors of the Issuer authorizing and approving the Conversion; and

(D) an opinion of Bond Counsel to the effect that the exercise of the Conversion Option is lawful under the NFPCL and the Certificate and permitted by the Indenture and that the Conversion will not, in and of itself, adversely affect the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes.

If the Trustee has given notice of a proposed Conversion as aforesaid and such proposed Conversion shall thereafter be cancelled or rescinded, the Trustee shall promptly notify all Bondholders of such cancellation or rescission.

Interest on the Series 2017 Bonds shall be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed, while the Interest Rate Mode is the Weekly Tax-Exempt Rate, and on the basis of a 360-day year consisting of twelve 30-day months for the actual number of days elapsed, while the Interest Rate Mode is the Semi-Annual Tax-Exempt Rate or the Long-Term Tax-Exempt Rate. The interest rate or rates for each Interest Rate Mode for the Series 2017 Bonds shall be determined by the Remarketing Agent on the dates and at such times as specified in the Indenture. If the Remarketing Agent fails to determine the interest rate on the Series 2017 Bonds in accordance with the Indenture, the interest rate on the Series 2017 Bonds shall be the interest rate in effect for the previous interest rate period. Each interest rate determined by the Remarketing Agent shall be the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Series 2017 Bonds at a price equal to the principal amount thereof, plus accrued interest, if any. Notwithstanding the foregoing, the interest rate borne by the Series 2017 Bonds shall not exceed the lesser of (A) 12% per annum or (B) so long as the Series 2017 Bonds are entitled to the benefit of a Credit Facility, the maximum interest rate specified in the Credit Facility.

#### (Mandatory Tender and Purchase)

The Series 2017 Bonds are subject to mandatory purchase in whole (A) on the effective date of any Conversion of the Interest Rate Mode for the Series 2017 Bonds and (B) if the Series 2017 Bonds are then bearing interest at the Weekly or Semi-Annual Tax-Exempt Rate, on the Interest Payment Date immediately preceding (by at least 15 calendar days) the date of the expiration of the then current Credit Facility (whether by expiration according to its terms or upon delivery of an Alternate Credit Facility), if any, unless the then current Credit Facility Issuer has provided an Alternate Credit Facility in accordance with the Indenture, at a Purchase Price equal to 100% of the principal amount hereof plus accrued interest, if any.

In addition, the Series 2017 Bonds are subject to mandatory purchase in whole if the Series 2017 Bonds are then bearing interest at the Long-Term Tax-Exempt Rate and the Series 2017 Bonds are then subject to optional redemption by the Issuer upon the direction of the Institution pursuant to the Indenture, on the Purchase Date upon delivery of an Alternate Credit Facility, unless such Alternate Credit Facility is a Qualifying Alternate Credit Facility, at a Purchase Price equal to 100% of the principal amount hereof, plus the optional redemption premium, if any, which would be payable under the Indenture if the Series 2017 Bonds were redeemed on the Purchase Date, plus accrued interest, if any. If the Series 2017 Bonds are bearing interest at the Long-Term Tax-Exempt Rate, but the Series 2017 Bonds are not then subject to optional redemption by the Institution pursuant to the Indenture, the Institution may not replace the then current Credit Facility with an Alternate Credit Facility unless such Credit Facility is a Qualifying Alternate Credit Facility.

If the Interest Rate Mode on the Series 2017 Bonds are the Weekly Tax-Exempt Rate, this Bond shall be purchased at the option of the registered Owner hereof upon demand by such registered Owner, on any Business Day at a Purchase Price equal to the principal amount hereof, plus accrued interest, if any, to

the Purchase Date, upon written notice to the Tender Agent on or before 4:00 o'clock p.m. (New York time) on a Business Day not later than the 7th calendar day prior to the Purchase Date. If the Interest Rate Mode on the Series 2017 Bonds is the Semi-Annual Tax-Exempt Rate, this Bond shall be purchased on the demand of the registered Owner hereof, on any Interest Payment Date at a Purchase Price equal to the principal amount hereof, upon written notice to the Tender Agent on a Business Day not later than the 8th Business Day prior to such Purchase Date. If the Interest Rate Mode on the Series 2017 Bonds is the Long-Term Tax-Exempt Rate, this Bond shall not be subject to purchase on the demand of the Owner thereof but shall be subject to mandatory purchase only as set forth in the immediately preceding paragraphs.

If the Interest Rate Mode on the Series 2017 Bonds is the Weekly Tax-Exempt Rate or the Semi-Annual Tax-Exempt Rate, this Bond is also subject to mandatory purchase, in whole, upon any replacement, removal or other substitution of the then current Credit Facility Issuer.

In addition, if the Interest Rate Mode on the Series 2017 Bonds is the Weekly Tax-Exempt Rate, this Bond is also subject to mandatory purchase, in whole, upon the option of the Institution.

Any notice in connection with a demand for purchase of this Bond as set forth in the preceding paragraphs hereof shall be given at the address of the Tender Agent designated to the Trustee and shall (A) state the number and principal amount (or portion thereof in an authorized denomination) of this Bond to be purchased, (B) state the Purchase Date on which this Bond shall be purchased and (C) irrevocably request such purchase and agree to deliver this Bond to the Tender Agent on the Purchase Date. ANY SUCH NOTICE SHALL BE IRREVOCABLE WITH RESPECT TO THE PURCHASE FOR WHICH SUCH DIRECTION WAS DELIVERED AND, UNTIL SURRENDERED TO THE TENDER AGENT, THIS BOND OR ANY PORTION HEREOF WITH RESPECT TO WHICH SUCH DIRECTION WAS DELIVERED SHALL NOT BE TRANSFERABLE. This Bond must be delivered (together with an appropriate instrument of transfer executed in blank in form satisfactory to the Tender Agent) at the principal office of the Tender Agent at or prior to 12:00 o'clock Noon (New York time) on the date specified in the aforesaid notice in order for the Owner hereof to receive payment in same-day funds of the Purchase Price due on such Purchase Date. NO REGISTERED OWNER SHALL BE ENTITLED TO PAYMENT OF THE PURCHASE PRICE DUE ON SUCH PURCHASE DATE EXCEPT UPON SURRENDER OF THIS BOND AS SET FORTH HEREIN. Notwithstanding the foregoing, this Bond shall not be purchased during the existence of a Default under the Indenture relating to failure to pay principal due on any Bonds, or the redemption price or Purchase Price due with respect to any Bonds, or the interest due on any Bonds. No purchase of Bonds pursuant to the Indenture shall be deemed to be a payment or redemption of such Bonds or any portion thereof within the meaning of the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHETHER OR NOT SURRENDERED, (A) ON THE APPLICABLE PURCHASE DATE IN CONNECTION WITH THE CONVERSION OF THE INTEREST RATE MODE FOR THE BOND OR ANY EXPIRATION OF THE CREDIT FACILITY AS DESCRIBED ABOVE, OR ANY REPLACEMENT OF THE THEN CURRENT CREDIT FACILITY ISSUER, IF THE BOND IS IN THE WEEKLY TAX-EXEMPT RATE MODE OR THE SEMI-ANNUAL TAX-EXEMPT RATE MODE AS DESCRIBED ABOVE, OR (B) ON ANY PURCHASE DATE SPECIFIED BY THE REGISTERED OWNER HEREOF IN THE EXERCISE OF THE RIGHT TO DEMAND PURCHASE OF THIS BOND AS DESCRIBED ABOVE. IN SUCH EVENT, THE REGISTERED OWNER OF THIS BOND SHALL NOT BE ENTITLED TO RECEIVE ANY FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS BOND OR THE INDENTURE EXCEPT TO PAYMENT OF THE PURCHASE PRICE HELD THEREFOR, AND SHALL THEREAFTER HOLD THIS BOND AS AGENT FOR THE TENDER AGENT.

(Letter of Credit Provisions)

Pursuant to the Loan Agreement, the Institution has caused a Letter of Credit issued by Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the “Bank”) to be delivered to the Trustee (the “Initial Letter of Credit”). Under the Initial Letter of Credit, the Bank is obligated to pay to the Trustee, upon presentation of a sight draft and required accompanying documentation, the amount necessary to pay the principal or Purchase Price (but not the redemption premium) of the outstanding Series 2017 Bonds plus an amount equal to 35 days accrued interest on the outstanding Series 2017 Bonds at a rate of 12% per annum (other than Series 2017 Bonds which are Pledged Bonds or Bonds owned by the Institution) then due and payable (whether by mandatory redemption or by maturity due to acceleration or otherwise). On each Bond Payment Date and immediately upon (A) a declaration that the Series 2017 Bonds have become due and payable by acceleration, or (B) a mandatory redemption of all the Series 2017 Bonds Outstanding, the Trustee shall present to the Bank a sight draft and required accompanying documentation and draw upon the Letter of Credit for the principal amount, and accrued interest then due on the Series 2017 Bonds. The Initial Letter of Credit provides that it shall expire on \_\_\_\_\_, 20\_\_ or earlier under certain circumstances. Subject to the provisions of the Indenture, the Institution may, but is not required to, provide another Credit Facility upon the termination of the Initial Letter of Credit or the then current Credit Facility. While the Series 2017 Bonds bears interest at the Weekly Tax-Exempt Rate or the Semi-Annual Tax-Exempt Rate, the Series 2017 Bonds shall be subject to mandatory tender for purchase upon any change in the then current Credit Facility Issuer. While the Series 2017 Bonds bear interest at the Long-Term Tax-Exempt Rate, the Institution may, without subjecting the Bonds to mandatory tender for purchase, substitute any Qualifying Credit Facility for the then current Letter of Credit or other Credit Facility and the Trustee shall give written notice of such substitute to the Registered Owners thereof.

(Extraordinary Redemption Without Premium)

The Series 2017 Bonds are subject to redemption prior to maturity (A) as a whole, on any date, without premium, in the event of (1) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (2) damage to or destruction of part or all of the Project Facility and election by the Institution or the Bank to redeem the Series 2017 Bonds, or (3) a taking in Condemnation of part of the Project Facility and election by the Institution or the Bank to redeem the Bonds, or (B) in part, on any Interest Payment Date, without premium, in the event that (1) to the extent excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution and, pursuant to the Indenture, such excess moneys are not paid to the Institution, (2) excess moneys remain in the Project Fund after the Completion Date (as defined in the Bond Purchase Agreement) or (3) excess proceeds of title insurance or recoveries from contractors are applied to redeem Bonds pursuant to the Loan Agreement. In any such event, the Series 2017 Bonds shall be redeemed, as a whole or in part, at such time as the Trustee determines, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Extraordinary Redemption Without Premium  
at Election of Bank)

The Series 2017 Bonds are also subject to redemption prior to maturity upon receipt by the Trustee of a written notice from the Bank of the occurrence and continuance of a default by the Institution under the Reimbursement Agreement and the Bank's election to compel redemption of the Bonds. In such event, the Series 2017 Bonds shall be redeemed, as a whole, in the manner provided in Article III of the Indenture, on the earliest date for which the Trustee can give notice of redemption pursuant to Section 303 of the Indenture, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Mandatory Redemption With Premium in an Event  
of Taxability)

The Series 2017 Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability (as defined in the Indenture). In such event, the Series 2017 Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium. If any Series 2017 Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the Owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability.

(Optional Redemption Without Premium at Institution's Option  
During Weekly or Semi-Annual Tax-Exempt Rate Periods)

Whenever the Interest Rate Mode is the Weekly Tax-Exempt Rate or the Semi-Annual Tax-Exempt Rate, the Series 2017 Bonds shall be subject to redemption, in whole on any date or in part on any Interest Payment Date, at the option of the Issuer, upon the direction of the Institution, at a redemption price of 100% of the principal amount hereof, plus accrued interest to the redemption date, without premium.

(Optional Redemption With Premium at Institution's Option  
During Long-Term Tax-Exempt Rate Period)

Whenever the Interest Rate Mode for the Bonds is the Long-Term Tax-Exempt Rate, the Bonds shall be subject to redemption prior to the end of the then current Long-Term Tax-Exempt Rate Period at the option of the Issuer, upon the direction of the Institution, at any time during the redemption periods and at the redemption prices set forth below, plus interest accrued to the redemption date (which redemption price and accrued interest shall be paid only from Available Moneys):

(A) If the duration of the Long-Term Tax-Exempt Rate Period is five years or less, Bonds shall not be eligible for optional redemption at any time during the Long-Term Tax-Exempt Rate Period; and

(B) If the duration of the Long-Term Tax-Exempt Rate Period is greater than five years, Bonds may be optionally redeemed, with the redemption period beginning on that date which

marks the expiration of one-half (½) of the Long-Term Tax-Exempt Rate Period or, if such day is not a Business Day, the next succeeding Business Day. The redemption price, expressed as a percentage of principal amount, shall be 102%, declining by 1% on each succeeding anniversary of the first day of the redemption period until reaching 100% and thereafter 100%.

If, at the time of the Issuer's notice of Conversion of the Interest Rate Mode for the Bonds to the Long-Term Tax-Exempt Rate pursuant to Section 209(F) of the Indenture, the Issuer provides a certification of the Remarketing Agent to the Trustee and the Issuer that the foregoing Schedule is not consistent with prevailing market conditions, the foregoing redemption periods and redemption prices may be revised, effective as of the Conversion Date, as determined by the Remarketing Agent in its judgment, taking into account the then prevailing market condition, as stipulated in such certification, which shall be appended by the Trustee to its counterpart of the Indenture.

#### (Procedures for Redemption)

Notice of the intended redemption of each Bonds subject to redemption shall be given not more than 60 days nor less than 30 days prior to the redemption date by the Trustee one time by first class mail postage prepaid to the registered Owner at the address of such Owner shown on the Trustee's bond register. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred. Notice of any redemption hereunder with respect to Bonds held under a book entry system shall be given by the Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date in inverse order of maturity, and within each maturity by lot or by such other such method as the Trustee shall deem fair and appropriate; provided, however, that in connection with any redemption of Bonds the Trustee shall first select for redemption any Bonds held by or pledged to the Bank pursuant to the Indenture. The Trustee may provide for the redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Outstanding Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than \$5,000 or any integral multiple of \$5,000 in excess thereof.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

#### (Additional Security for the Bonds)

The Bonds are issued under and are equally and ratably secured by the Indenture. The Indenture grants the Trustee a first security interest in the Trust Revenues (as defined in the Indenture).

As additional security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Loan Agreement (except the Unassigned Rights), including the right to receive loan payments and other amounts payable thereunder pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017

Amendment to Pledge and Assignment”) from the Issuer to the Trustee. Further security for the repayment of the Bonds is provided by a guaranty dated as of March 1, 2017 (the “Series 2017 Guaranty”) from the Upstate Home for Children Foundation, Inc. to the Bank.

Reference is hereby made to the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Pledge and Assignment, and the Series 2017 Guaranty of Foundation, and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Bank, the Institution and the Bondholders. Copies of such documents are on file in the Office of the Trustee.

#### (General Provisions)

The initial Remarketing Agent under the Indenture is \_\_\_\_\_ and the initial Tender Agent under the Indenture is Manufacturers and Traders Trust Company. The Remarketing Agent and the Tender Agent may be changed at any time in accordance with the Indenture.

The Series 2017 Bonds are issuable only as fully registered Bonds in the denominations of \$100,000 and in any integral multiple of \$5,000 in excess thereof; provided, however, that no Bonds outstanding shall be in an amount less than \$100,000, and shall be originally issued only to a Depository to be held in a book entry system and, while so held in book entry only form, (A) the Series 2017 Bonds shall be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository, (B) unless otherwise requested by the Depository, there shall be a single Bonds certificate for each maturity of the Series 2017 Bonds, and (C) the Series 2017 Bonds shall not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository, without further action by the Issuer. While the Series 2017 Bonds are in book entry only form, Bonds in the form of physical certificates shall only be delivered to the Depository. If any Depository determines not to continue to act as a Depository for the Series 2017 Bonds for use in a book entry system, the Issuer may attempt to have established a securities depository/book entry system relationship with another qualified Depository under the Indenture. If the Issuer does not or is unable to do so, the Issuer and the Trustee, after the Trustee has made provision for notification to the Beneficial Owners of book entry interests by the then Depository, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver Bonds certificates in fully registered form (in denominations of \$100,000 and in any integral multiple of \$5,000 in excess thereof) to the assignees of the Depository or its nominee.

While a Depository is the sole Holder of the Series 2017 Bonds, delivery or notation of partial redemption or tender for purchase of Bonds shall be effected in accordance with the provisions of the Depository Letter, as defined in the Indenture.

This Bond is transferable by the registered Owner hereof or his duly authorized attorney upon surrender of this Bond to the Trustee, as Bond Registrar, at the Office of the Trustee, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the Institution, the Issuer or the Bond Registrar may prescribe, PROVIDED, THAT, IF MONEYS FOR THE MANDATORY PURCHASE OF THIS BOND HAVE BEEN DEPOSITED WITH THE TRUSTEE UNDER THE INDENTURE, THIS BOND SHALL NOT BE TRANSFERABLE TO ANYONE UNTIL DELIVERED TO THE TENDER AGENT. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other



governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bonds shall be delivered.

Except as set forth in this Bond and as otherwise provided in the Indenture, the person in whose name this Bond is registered shall be deemed the Owner hereof for all purposes, and payment or on account of the principal of, or premium if any interest on, this Bond shall be made only to or upon the order of the registered Owner thereof or his duly authorized legal representative, and the Issuer, the Institution, any Paying Agents, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Trustee shall not be affected by any notice to the contrary. Such registration may be changed only as provided in this Bond and in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of Bonds or be effective to transfer any Bonds. All payments to the Person in whose name any Bonds shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums to be paid.

THE BOND IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE BANK UNDER THE LETTER OF CREDIT AND BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT AND THE GUARANTY.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

The Indenture permits certain amendments or supplements to the Loan Agreement, the Indenture and the other Financing Documents not prejudicial to the Bondholders to be made without the consent of or notice to the Bondholders, and other amendments or supplements thereto to be made with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication of the Trustee shall be endorsed hereon.

THE BOND DOES NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BOND DOES NOT

GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation. This Bond shall be governed exclusively by the applicable laws of the State, without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, Otsego County Capital Resource Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or reproduced hereon, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date identified above.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY: \_\_\_\_\_  
(Vice) Chairman

(SEAL)

ATTEST:

\_\_\_\_\_  
(Assistant) Secretary

Certificate of Authentication

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Trustee

BY: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date of Authentication

Assignment for Transfer

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

\_\_\_\_\_ the within Bonds and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bonds on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Any Bondholder who fails to deliver this Bond for purchase at the times and at the place required herein shall have no further rights hereunder except the right to receive the purchase price hereof upon presentation and surrender of this Bond to the Trustee as described herein, and shall hold this Bond as agent for the Trustee.

This Bond has not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and this Bond may not be transferred or pledged except upon either (1) receipt by the Trustee of notice from (a) the Bank that a Letter of Credit has been issued with respect to the Series 2017A Bonds then Outstanding or (b) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017A Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of this Bond the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017A Bonds under any of the Securities Laws (or proof of registration under such Securities Laws).

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
 (a not-for-profit corporation of the State of New York)  
 TAX-EXEMPT MULTI-MODE VARIABLE RATE  
 REVENUE BOND  
 (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017A

NO.: 2017AR-1	PRINCIPAL AMOUNT: UP TO \$5,550,000
INTEREST RATE: the Bank Purchase Rate, except as set forth below	MATURITY DATE: March 1, 2043
DATED DATE: March 27, 2017	
REGISTERED OWNER: Citizens Funding Corp.	

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, or its registered successors or assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the principal sum of up to FIVE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$5,550,000) with interest thereon or on so much thereof as is from time to time outstanding and unpaid hereunder (hereinafter called the "Principal Balance") (determined as of the close of each day) from the dated date until such Principal Balance is paid in full. The Principal Balance (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360 day year for the actual number of days elapsed) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such other date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on the last day of each LIBOR Interest Period while the Series 2017 Bonds (as hereinafter defined) are in the Bank Purchase Rate Mode (each an "Interest Payment Date"). Capitalized terms used in this Bond

which are not otherwise defined herein shall have the meanings ascribed to them in the trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee") for the holders of the Initial Bonds, and the supplemental indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture" and together with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, being collectively referred to as the "Indenture") that was entered into by and between the Issuer and the Trustee. Commencing on April 1, 2018, principal payments shall be made and continued thereafter on the first day of each calendar month in accordance with the principal payment Schedule attached hereto and made a part hereof.

The principal of this Bond due on the Maturity Date shall be paid on the Maturity Date upon presentation and surrender hereof at the corporate trust office presently located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York 14203 (the "Office of the Trustee") of the Trustee under the Indenture, or at the duly designated office of any successor trustee under the Indenture.

Payment of the principal of and interest on the Bonds shall be made for the account of the Issuer by check delivered or mailed by the Institution (as hereinafter defined) to Citizens Bank, N.A. (the "Agent"), as administrative agent of Citizens Funding Corp. (the "Holder" or the "Bondowner"), at 250 South Clinton Street, Syracuse, New York 13202 or in such other manner as the Agent may determine from time to time.

(Project Description)

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A" in the aggregate principal amount of \$5,550,000 (the "Series 2017 Bonds"). The Series 2017 Bonds are issued for the purpose of assisting in providing financing to the Issuer for a project (the "Series 2017 Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York, which Series 2017 Project consists of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Land (collectively, the "Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from certain mortgage recording taxes.

As provided in the Indenture, additional Series of Bonds (the "Additional Bonds", and collectively with the Series 2017 Bonds, the "Bonds") may be issued from time to time pursuant to supplements to the Indenture on a parity with, and secured and payable equally and ratably with, all other Series of Bonds issued under the Indenture, which Additional Bonds may mature at different times, may bear interest at

different rates, and may otherwise vary as provided in the Indenture and the supplement thereto authorizing any such Series of Additional Bonds. The aggregate principal amount of Bonds which may be issued under the Indenture is not limited, except as otherwise provided in the Indenture.

(Calculation of Interest)

This Series 2017 Bond shall bear interest as follows:

(1) Interest. The Series 2017 Bonds shall bear interest at the Bank Purchase Rate. After the occurrence and during the continuance of any Event of Default, this Bond will, at the option of the Agent, bear interest at a rate per annum which at all times shall be equal to the sum of (i) four (4%) percent per annum plus (ii) the Bank Purchase Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within fifteen (15) days after the same is due, the Institution shall pay to the Agent a late fee equal to \$100.

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

(i) shall subject such Bondowner to any imposition or other charge with respect to any amounts due under the Indenture or any Bonds (except for changes in the rate of tax on the overall net income of such Bondowner); or

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

and the result of any of the foregoing is to increase the cost to a Bondowner of making or maintaining the investment evidenced by any Bonds or to reduce the amount of any sum received or receivable by such Bondowner under the Indenture or under any Bonds by an amount deemed by such Bondowner to be material, then, upon demand by such Bondowner and receipt by the Institution of a certificate from such Bondowner setting forth its calculation of the amount owed, the Institution shall forthwith pay to such Bondowner such additional amount or amounts as will compensate such Bondowner for such increased costs or reduction in receipts.

(b) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by a Bondowner, or any person controlling such Bondowner, and such Bondowner determines (in its sole and absolute discretion) that the rate of return on its or such controlling person's capital as a consequence of such Bondowner's ownership of the Bonds are reduced to a level below that which such Bondowner or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Bondowner (or the

Agent on behalf of a Bondowner) to the Institution, the Institution shall immediately pay directly to such Bondowner (or the Agent on behalf of a Bondowner) additional amounts sufficient to compensate such Bondowner or such controlling person for such reduction in rate of return. A statement of the relevant Bondowner (or the Agent on behalf of a Bondowner) as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Institution. In determining such amount, the relevant Bondowner may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

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

(d) No failure on the part of any Bondowner to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of any Bondowner to deliver any certificate in a timely manner shall in any way reduce any obligation of the Institution to any Bondowner under this subsection (d). If a Bondowner has granted a participation in any Bonds, the Institution's obligations to such Bondowner under this subsection (D) will be computed as if such participation had not taken place, with the relevant Bondowner to be responsible for payments to the participants in accordance with the relevant participation agreements.

(e) Notwithstanding the foregoing, the "Regulatory Changes" to which this paragraph (2) applies will not be deemed to include any change the result of which is a Determination of Taxability, as defined in paragraph (4).

(3) Corporate Tax Rate Changes. (a) If the Maximum Marginal Statutory Tax Rate (as defined below) imposed upon income of corporations generally (whether or not any Bondowner is actually taxed at said maximum marginal statutory rate) decreases for any period during which the Bonds are outstanding, the factor of 65% ("Tax-Exempt Rate Factor") used in calculating the interest rate on the Series 2017 Bonds shall be increased, proportionately, so that, for example, if the maximum marginal statutory corporate tax rate is zero, the interest rate on the Bonds will be equal to the Adjusted LIBOR Rate, as determined by the Bondholder for each LIBOR Interest Period, plus 2.50%. If the maximum marginal statutory corporate tax rate increases after the date of issuance of the Bonds, the Bank may in its sole discretion decrease the 65% factor.

(i) For example, the new Tax-Exempt Rate Factor would be the product of (x) one minus the Maximum Marginal Statutory Rate times (y) 1.53846 times (z) 65%. The Tax-Exempt Rate Factor will change on the first day of the month next succeeding the effective date of the enactment of legislation decreasing the Maximum Marginal Statutory Tax Rate.

(b) "Maximum Marginal Statutory Tax Rate" means the tax rate assessed on the highest tax bracket of income to be imposed upon domestic corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as amended (or corresponding section in any future enacted federal income tax law). As of the date of this Agreement, the current Maximum Marginal Statutory Rate is 35% and the Tax-Exempt Factor Rate is 65%.



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(4) Taxability of Interest. (a) Determination of Taxability. A "Determination of Taxability," with respect to the Bonds shall occur upon (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 Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holder of the Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on the Bonds is not excluded from gross income for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (1) unless the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) offers the Institution the opportunity to control the contest thereof, provided the Institution shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder against all liabilities in connection therewith, and (2) until the expiration of all periods for judicial review or appeal.

(b) Reimbursement. The Institution will promptly reimburse each owner of Bonds subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such owner in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on the Bonds in the federal gross income of such owner prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the owner to the extent of any recovery thereof from the United States.

(c) No Damages. The payments provided for in this section are in lieu of any damages which might otherwise be payable to the Bondowner by reason of the taxability of interest on the Bonds, and the obligations of the Institution under this section shall survive the defeasance of the Indenture and the termination of the lien hereof and the payment of the Bonds.

(5) Conversion to and from the Bank Purchase Rate Mode.

(a) The Series 2017 Bonds may be converted in whole to the Bank Purchase Rate Mode by taking such actions and giving such notices as are required under the Indenture for such conversion.

(b) Conversion from the Bank Purchase Rate Mode. The Institution may convert the Series 2017 Bonds bearing interest in the Bank Purchase Rate Mode to a new Interest Rate Mode in whole, effective on any Bank Tender Purchase Date at any time, only upon (i) receipt by the Trustee of notice from (x) a Credit Facility Issuer that a Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (y) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, (ii) 30 days' written notice to the Trustee and the Bondowner and (iii) compliance with the requirements of the Indenture for conversion to the new Interest Rate Mode. The Series 2017 Bonds shall be subject to mandatory tender for purchase in connection with any such Conversion.

(6) Usury. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2017 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

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(7) Book Entry System. The Book Entry System shall not apply to the Series 2017 Bonds while the Series 2017 Bonds are in the Bank Purchase Rate Mode.

(Purchase on Demand)

This Bond will be subject to demand for purchase at the election of the Agent (1) with respect to the Series 2017A Bonds and Series 2017C Bonds, in whole on March 1, 2027 and thereafter every ten (10) years on March 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date (the "Tender Option") or (2) in whole upon the Business Day immediately following the date upon which the Agent shall notify the Institution, the Issuer and the Trustee that an Event of Default has occurred and is existing under the Continuing Covenant Agreement and directing that the Bonds be purchased by the Institution. On or before March 1, 2026 and on or before March 1 of every tenth (10th) year thereafter, the Institution may request in writing that the Agent not exercise the Tender Option on the following March 1. Any agreement not to exercise any other or future Tender Option on the following March 1 shall be in the Agent's sole discretion. The Institution hereby acknowledges that the Agent's willingness not to exercise the Tender Option on the following March 1 shall not obligate the Agent to waive the Agent's right to exercise its Tender Option. The Agent will notify the Institution within ninety (90) days after the Agent's receipt of the Institution's written request therefor of whether or not the Agent agrees not to exercise the Tender Option. In the event that the Agent waives and agrees not to exercise the Tender Option on the following March 1 and such waiver and agreement is subject to the condition that the Bank Purchase Rate or other terms of the Bonds or the Continuing Covenant Agreement be modified, such modification shall not take effect and the Tender Option on the following March 1 shall not be waived unless the Agent shall have been furnished with, at the Institution's expense, an opinion of Bond Counsel acceptable to the Agent to the effect that such modifications will not adversely affect the exclusion from federal income taxation of interest on the Series 2017 Bonds.

During the Bank Purchase Rate Period, the Series 2017 Bonds are also subject to tender for mandatory purchase on any Purchase Date in connection with Conversion of the Series 2017 Bonds to bear interest in another Interest Rate Mode at a price equal to 100% of the outstanding principal amount thereof, plus accrued interest to the purchase date upon 30 days' written notice from the Institution to the Trustee and the Bondowner.

Owners of Bonds required to be tendered shall be required to deliver their Bonds to the Trustee upon payment of the Purchase Price, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Any such Bonds not so delivered on such Purchase Date ("Undelivered Bonds"), for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay the Purchase Price (as defined below) of such Undelivered Bonds, shall be deemed to have been purchased pursuant to the Indenture.

IN THE EVENT OF A FAILURE BY AN OWNER OF BOND REQUIRED TO BE TENDERED TO DELIVER ITS BOND ON OR PRIOR TO THE PURCHASE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE ON OR SUBSEQUENT TO SUCH PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BOND, AND ANY SUCH UNDELIVERED BOND SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF PAYMENT OF THE PURCHASE PRICE THEREFOR.

(Security for the Bonds)

The Bonds are issued under and is equally and ratably secured by the Indenture, except that the Series 2017 Bonds are not secured by the Reserve Fund. The Indenture grants the Trustee a first security interest in the Trust Revenues (as defined in the Indenture).

**During the Bank Purchase Rate Period, the Series 2017 Bonds are not secured by a Letter of Credit.** While the Series 2017 Bonds are in the Bank Purchase Rate Mode, in all cases in which the Trustee is requested to effect the transfer or exchange of an Series 2017 Bonds, or a portion thereof, the Trustee shall authenticate and deliver such Series 2017 Bonds (or portion thereof) only upon (1) receipt by the Trustee of notice from (i) the Bank that a new Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (ii) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of such Series 2017 Bonds, the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017 Bonds (or any other Series 2017 Bonds) under any of the Securities Laws (or proof of registration under such Securities Laws).

As security for payment of the Institution's obligations under the Loan Agreement, the Institution has granted a first mortgage Lien on and security interest in the Mortgaged Property to the Issuer and the Agent pursuant to a building loan, mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 (the "Series 2017 Mortgage"). The Issuer has assigned the Series 2017 Mortgage to the Agent.

As additional security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Loan Agreement (except the Unassigned Rights), including the right to receive loan payments and other amounts payable thereunder, pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Series 2017 Amendment to Pledge and Assignment, loan payments made by the Institution under the Loan Agreement are to be paid directly to the Trustee or the Credit Facility Issuer. Further security for the repayment of the Bonds, the Loan Agreement, and the Bond Purchase Agreement are provided by a guaranty dated as of March 1, 2017 (the "Series 2017 Guaranty of Foundation") from the Upstate Home for Children Foundation, Inc. to the Holder.

The Series 2017 Mortgage and the Series 2017 Mortgage Assignment were recorded in the office of the County Clerk of Otsego County, New York.

Reference is hereby made to the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Pledge and Assignment, and the Series 2017 Guaranty of Foundation, and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Bank, the Institution and the Bondholders. Copies of such documents are on file in the Office of the Trustee.

THE BOND IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE SERIES 2017 MORTGAGE, THE SERIES 2017 PLEDGE AND ASSIGNMENT, AND THE SERIES 2017 GUARANTY OF FOUNDATION.

(General Optional Redemption)

During the Bank Purchase Rate Period, the Series 2017 Bonds are prepayable at the election of the Institution at par at any time, in whole or in part. The Institution shall notify the Trustee and the Bondowner of the date and amount of any such prepayment in writing at least 30 days in advance thereof. Upon any prepayment of all or any portion of the principal of the Series 2017 Bonds (including, for the purposes of this paragraph, any purchase of the Series 2017 Bonds from the Bondowner) on any day that is not the last day of the relevant LIBOR Interest Period (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Institution shall pay an amount (a "LIBOR Breakage Fee"), as calculated by the Bondowner, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Bondowner may sustain as a result of such prepayment. The Institution understands, agrees and acknowledges that: (a) the Bondowner does not have any obligation to purchase, sell and/or match funds in connection with the use of the Adjusted LIBOR Rate as a basis for calculating the rate of interest on the Series 2017 Bonds, (b) the Adjusted LIBOR Rate may be used merely as a reference in determining such rate, and (c) the Institution has accepted the Adjusted LIBOR Rate as a reasonable and fair basis for calculating the LIBOR Breakage Fee and other funding losses incurred by the Bondowner. The Institution further agrees to pay the LIBOR Breakage Fee and other funding losses, if any, whether or not the Bondowner elects to purchase, sell and/or match funds.

(Extraordinary Redemption)

The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, as a whole on any date, upon written notice or waiver of notice as provided in this indenture, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if one or more of the following events shall have occurred:

(1) The Project Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed, at the direction of the Institution, with the Issuer, the Bank and the Trustee (a) the Project Facility cannot be reasonably restored within a period of nine (9) months from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such damage or destruction, or (c) the restoration cost of the Project Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(2) Title to, or the temporary use of, all or substantially all of the Project Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Agent and the Trustee; or

(3) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Project Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution is required by the Loan Agreement to deliver to the Issuer, the Agent, and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Project Facility for its intended purposes.

(Mandatory Redemption from Excess Proceeds)

The Bonds are also subject to redemption prior to maturity in whole or in part on any Interest Payment Date, without premium, (1) as provided in Section 406(G) of the Initial Indenture, in the event that and to the extent (a) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution, and (b) such excess moneys are not paid to the Institution pursuant to Section 406(G) of the Initial Indenture, (2) as provided in Section 404 of the Indenture, excess moneys remain in the Project Fund after the Completion Date (as defined in the Continuing Covenant Agreement), or (3) excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 3.6 of the Initial Loan Agreement, in each case to the extent of such excess. In any such event, the Series 2017 Bonds shall be redeemed, in whole or in part, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Mandatory Redemption Upon Failure to Operate  
Project Facility In Accordance With Applicable Law)

The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, on any Interest Payment Date in the event the Issuer shall determine that the Institution is operating the Project Facility or any portion thereof in violation of material Applicable Law, and the failure of the Institution to cure such noncompliance within the time periods set forth in the Loan Agreement, upon written notice or waiver of notice as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the Redemption Date.

(Mandatory Redemption Upon Release of Any Part of,  
or Interest in, the Project Facility from the Lien of the Series 2017 Mortgage)

The Bonds are subject to redemption prior to maturity at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, in whole on any date or in part on any Interest Payment Date, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if the Institution takes any action described in Section 9.4(C) of the Initial Loan Agreement. The Institution shall, within one hundred eighty (180) days after such action is taken, cause the Bonds to be redeemed in an amount equal to the amount of Bond Proceeds allocable to that part of the Project Facility that was the subject of such action.

(Mandatory Redemption Upon Receipt of Notice From the Agent)

The Bonds are also subject to redemption prior to maturity upon receipt by the Trustee of a written notice from the Agent of the occurrence and continuance of a default by the Institution under the Continuing Covenants Agreement and the Agent's election to compel redemption of the Bonds. In such event, the Bonds shall be redeemed, as a whole, in the manner provided in this Article III, on the earliest date for

which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Procedures for Redemption)

Notice of the intended redemption of Bonds subject to redemption shall be given as provided in the Indenture. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred.

In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot (except that any Pledged Bonds shall be redeemed prior to any other Bonds). In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the outstanding Series of Bonds to be redeemed and by lot within a maturity.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

(Miscellaneous)

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal of this Bond may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Series 2017 Bonds are issuable in the denomination of \$100,000 or any integral multiple of \$1.00 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the Office of the Trustee, as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative. Upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same Series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bonds shall be delivered.

The Person in whose name any Bonds shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, or premium if any or (subject to Section 207 of the Initial Indenture) interest on, any such Bonds shall be made only to or upon the order of the registered owner thereof or his duly authorized legal representative. Such registration may be changed only as provided in this Bond and in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of Bonds or be effective to transfer any Bonds. All payments to the Person in whose name any Bonds shall be registered (subject to said Section 207) shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums to be paid.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

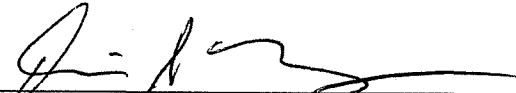
This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication of the Trustee shall be endorsed hereon.

THE BOND DOES NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BOND DOES NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.


IN WITNESS WHEREOF, Otsego County Capital Resource Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or reproduced hereon, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date identified above.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY:   
(Vice) Chairman

(SEAL)

ATTEST:

  
(Assistant) Secretary

SPECIMEN



Certificate of Authentication

This Bond is one of the Bonds of the Series designated therein described in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: *Marion A. Guld*  
Authorized Officer

March 27, 2017  
Date of Authentication

SPECIMEN

[Assignment for Transfer]

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

the within Bonds and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bonds on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

SPECIMEN

Signature Guaranteed:

Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

### Schedule of Principal Payments

No.	Payment Date	Principal
1	4/1/2018	11,514.91
2	5/1/2018	11,548.97
3	6/1/2018	11,583.14
4	7/1/2018	11,617.40
5	8/1/2018	11,651.77
6	9/1/2018	11,686.24
7	10/1/2018	11,720.81
8	11/1/2018	11,755.49
9	12/1/2018	11,790.27
10	1/1/2019	11,825.14
11	2/1/2019	11,860.13
12	3/1/2019	11,895.21
13	4/1/2019	11,930.40
14	5/1/2019	11,965.70
15	6/1/2019	12,001.10
16	7/1/2019	12,036.60
17	8/1/2019	12,072.21
18	9/1/2019	12,107.92
19	10/1/2019	12,143.74
20	11/1/2019	12,179.67
21	12/1/2019	12,215.70
22	1/1/2020	12,251.84
23	2/1/2020	12,288.08
24	3/1/2020	12,324.43
25	4/1/2020	12,360.89
26	5/1/2020	12,397.46
27	6/1/2020	12,434.14
28	7/1/2020	12,470.92
29	8/1/2020	12,507.81
30	9/1/2020	12,544.82
31	10/1/2020	12,581.93
32	11/1/2020	12,619.15
33	12/1/2020	12,656.48
34	1/1/2021	12,693.92
35	2/1/2021	12,731.48
36	3/1/2021	12,769.14
37	4/1/2021	12,806.92
38	5/1/2021	12,844.80
39	6/1/2021	12,882.80
40	7/1/2021	12,920.91
41	8/1/2021	12,959.14
42	9/1/2021	12,997.48
43	10/1/2021	13,035.93
44	11/1/2021	13,074.49
45	12/1/2021	13,113.17
46	1/1/2022	13,151.96
47	2/1/2022	13,190.87

SPECIMEN

No.	Payment Date	Principal
48	3/1/2022	13,229.89
49	4/1/2022	13,269.03
50	5/1/2022	13,308.29
51	6/1/2022	13,347.66
52	7/1/2022	13,387.14
53	8/1/2022	13,426.75
54	9/1/2022	13,466.47
55	10/1/2022	13,506.31
56	11/1/2022	13,546.26
57	12/1/2022	13,586.34
58	1/1/2023	13,626.53
59	2/1/2023	13,666.84
60	3/1/2023	13,707.27
61	4/1/2023	13,747.82
62	5/1/2023	13,788.49
63	6/1/2023	13,829.28
64	7/1/2023	13,870.20
65	8/1/2023	13,911.23
66	9/1/2023	13,952.38
67	10/1/2023	13,993.66
68	11/1/2023	14,035.06
69	12/1/2023	14,076.58
70	1/1/2024	14,118.22
71	2/1/2024	14,159.99
72	3/1/2024	14,201.88
73	4/1/2024	14,243.89
74	5/1/2024	14,286.03
75	6/1/2024	14,328.29
76	7/1/2024	14,370.68
77	8/1/2024	14,413.19
78	9/1/2024	14,455.83
79	10/1/2024	14,498.60
80	11/1/2024	14,541.49
81	12/1/2024	14,584.51
82	1/1/2025	14,627.65
83	2/1/2025	14,670.93
84	3/1/2025	14,714.33
85	4/1/2025	14,757.86
86	5/1/2025	14,801.52
87	6/1/2025	14,845.30
88	7/1/2025	14,889.22
89	8/1/2025	14,933.27
90	9/1/2025	14,977.45
91	10/1/2025	15,021.75
92	11/1/2025	15,066.19
93	12/1/2025	15,110.76
94	1/1/2026	15,155.47
95	2/1/2026	15,200.30
96	3/1/2026	15,245.27
97	4/1/2026	15,290.37

SPECIMEN

No.	Payment Date	Principal
98	5/1/2026	15,335.60
99	6/1/2026	15,380.97
100	7/1/2026	15,426.47
101	8/1/2026	15,472.11
102	9/1/2026	15,517.88
103	10/1/2026	15,563.79
104	11/1/2026	15,609.83
105	12/1/2026	15,656.01
106	1/1/2027	15,702.33
107	2/1/2027	15,748.78
108	3/1/2027	15,795.37
109	4/1/2027	15,842.10
110	5/1/2027	15,888.96
111	6/1/2027	15,935.97
112	7/1/2027	15,983.11
113	8/1/2027	16,030.40
114	9/1/2027	16,077.82
115	10/1/2027	16,125.38
116	11/1/2027	16,173.09
117	12/1/2027	16,220.93
118	1/1/2028	16,268.92
119	2/1/2028	16,317.06
120	3/1/2028	16,365.32
121	4/1/2028	16,413.73
122	5/1/2028	16,462.29
123	6/1/2028	16,510.99
124	7/1/2028	16,559.84
125	8/1/2028	16,608.83
126	9/1/2028	16,657.96
127	10/1/2028	16,707.24
128	11/1/2028	16,756.67
129	12/1/2028	16,806.24
130	1/1/2029	16,855.96
131	2/1/2029	16,905.82
132	3/1/2029	16,955.84
133	4/1/2029	17,006.00
134	5/1/2029	17,056.31
135	6/1/2029	17,106.76
136	7/1/2029	17,157.37
137	8/1/2029	17,208.13
138	9/1/2029	17,259.04
139	10/1/2029	17,310.09
140	11/1/2029	17,361.30
141	12/1/2029	17,412.66
142	1/1/2030	17,464.18
143	2/1/2030	17,515.84
144	3/1/2030	17,567.66
145	4/1/2030	17,619.63

SPECIMEN

No.	Payment Date	Principal
146	5/1/2030	17,671.75
147	6/1/2030	17,724.03
148	7/1/2030	17,776.47
149	8/1/2030	17,829.06
150	9/1/2030	17,881.80
151	10/1/2030	17,934.70
152	11/1/2030	17,987.76
153	12/1/2030	18,040.97
154	1/1/2031	18,094.34
155	2/1/2031	18,147.87
156	3/1/2031	18,201.56
157	4/1/2031	18,255.41
158	5/1/2031	18,309.41
159	6/1/2031	18,363.58
160	7/1/2031	18,417.90
161	8/1/2031	18,472.39
162	9/1/2031	18,527.04
163	10/1/2031	18,581.84
164	11/1/2031	18,636.82
165	12/1/2031	18,691.95
166	1/1/2032	18,747.25
167	2/1/2032	18,802.71
168	3/1/2032	18,858.33
169	4/1/2032	18,914.12
170	5/1/2032	18,970.08
171	6/1/2032	19,026.20
172	7/1/2032	19,082.48
173	8/1/2032	19,138.93
174	9/1/2032	19,195.55
175	10/1/2032	19,252.34
176	11/1/2032	19,309.29
177	12/1/2032	19,366.42
178	1/1/2033	19,423.71
179	2/1/2033	19,481.17
180	3/1/2033	19,538.80
181	4/1/2033	19,596.61
182	5/1/2033	19,654.58
183	6/1/2033	19,712.72
184	7/1/2033	19,771.04
185	8/1/2033	19,829.53
186	9/1/2033	19,888.19
187	10/1/2033	19,947.03
188	11/1/2033	20,006.04
189	12/1/2033	20,065.22
190	1/1/2034	20,124.58
191	2/1/2034	20,184.12
192	3/1/2034	20,243.83
193	4/1/2034	20,303.72

SPECIMEN

No.	Payment Date	Principal
194	5/1/2034	20,363.78
195	6/1/2034	20,424.03
196	7/1/2034	20,484.45
197	8/1/2034	20,545.05
198	9/1/2034	20,605.83
199	10/1/2034	20,666.78
200	11/1/2034	20,727.92
201	12/1/2034	20,789.24
202	1/1/2035	20,850.75
203	2/1/2035	20,912.43
204	3/1/2035	20,974.29
205	4/1/2035	21,036.34
206	5/1/2035	21,098.58
207	6/1/2035	21,160.99
208	7/1/2035	21,223.59
209	8/1/2035	21,286.38
210	9/1/2035	21,349.35
211	10/1/2035	21,412.51
212	11/1/2035	21,475.86
213	12/1/2035	21,539.39
214	1/1/2036	21,603.11
215	2/1/2036	21,667.02
216	3/1/2036	21,731.12
217	4/1/2036	21,795.41
218	5/1/2036	21,859.88
219	6/1/2036	21,924.55
220	7/1/2036	21,989.41
221	8/1/2036	22,054.46
222	9/1/2036	22,119.71
223	10/1/2036	22,185.15
224	11/1/2036	22,250.78
225	12/1/2036	22,316.60
226	1/1/2037	22,382.62
227	2/1/2037	22,448.84
228	3/1/2037	22,515.25
229	4/1/2037	22,581.86
230	5/1/2037	22,648.66
231	6/1/2037	22,715.66
232	7/1/2037	22,782.86
233	8/1/2037	22,850.26
234	9/1/2037	22,917.86
235	10/1/2037	22,985.66
236	11/1/2037	23,053.66
237	12/1/2037	23,121.86
238	1/1/2038	23,190.26
239	2/1/2038	23,258.87
240	3/1/2038	23,327.67
241	4/1/2038	23,396.69

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No.	Payment Date	Principal
242	5/1/2038	23,465.90
243	6/1/2038	23,535.32
244	7/1/2038	23,604.95
245	8/1/2038	23,674.78
246	9/1/2038	23,744.81
247	10/1/2038	23,815.06
248	11/1/2038	23,885.51
249	12/1/2038	23,956.17
250	1/1/2039	24,027.04
251	2/1/2039	24,098.12
252	3/1/2039	24,169.41
253	4/1/2039	24,240.92
254	5/1/2039	24,312.63
255	6/1/2039	24,384.55
256	7/1/2039	24,456.69
257	8/1/2039	24,529.04
258	9/1/2039	24,601.61
259	10/1/2039	24,674.39
260	11/1/2039	24,747.38
261	12/1/2039	24,820.59
262	1/1/2040	24,894.02
263	2/1/2040	24,967.67
264	3/1/2040	25,041.53
265	4/1/2040	25,115.61
266	5/1/2040	25,189.91
267	6/1/2040	25,264.43
268	7/1/2040	25,339.17
269	8/1/2040	25,414.13
270	9/1/2040	25,489.32
271	10/1/2040	25,564.72
272	11/1/2040	25,640.35
273	12/1/2040	25,716.20
274	1/1/2041	25,792.28
275	2/1/2041	25,868.58
276	3/1/2041	25,945.11
277	4/1/2041	26,021.86
278	5/1/2041	26,098.85
279	6/1/2041	26,176.06
280	7/1/2041	26,253.49
281	8/1/2041	26,331.16
282	9/1/2041	26,409.06
283	10/1/2041	26,487.18
284	11/1/2041	26,565.54
285	12/1/2041	26,644.13
286	1/1/2042	26,722.95
287	2/1/2042	26,802.01
288	3/1/2042	26,881.30

SPECIMEN



No.	Payment Date	Principal
289	4/1/2042	26,960.82
290	5/1/2042	27,040.58
291	6/1/2042	27,120.57
292	7/1/2042	27,200.81
293	8/1/2042	27,281.28
294	9/1/2042	27,361.98
295	10/1/2042	27,442.93
296	11/1/2042	27,524.11
297	12/1/2042	27,605.54
298	1/1/2043	27,687.21
299	2/1/2043	27,769.11
300	3/1/2043	27,851.26

SPECIMEN

Any Bondholder who fails to deliver this Bond for purchase at the times and at the place required herein shall have no further rights hereunder except the right to receive the purchase price hereof upon presentation and surrender of this Bond to the Trustee as described herein, and shall hold this Bond as agent for the Trustee.

This Bond has not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and this Bond may not be transferred or pledged except upon either (1) receipt by the Trustee of notice from (a) the Bank that a Letter of Credit has been issued with respect to the Series 2017B Bonds then Outstanding or (b) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017B Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of this Bond the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017B Bonds under any of the Securities Laws (or proof of registration under such Securities Laws).

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(a not-for-profit corporation of the State of New York)  
TAX-EXEMPT MULTI-MODE VARIABLE RATE  
REVENUE BOND  
(THE SPRINGBROOK NY, INC. PROJECT) SERIES 2017B

NO.: 2017BR-1	PRINCIPAL AMOUNT: UP TO \$500,000
INTEREST RATE: the Bank Purchase Rate, except as set forth below	MATURITY DATE: April 1, 2022
DATED DATE: March 27, 2017	
REGISTERED OWNER: Citizens Funding Corp.	

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, or its registered successors or assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the principal sum of up to FIVE HUNDRED THOUSAND DOLLARS (\$500,000) with interest thereon or on so much thereof as is from time to time outstanding and unpaid hereunder (hereinafter called the "Principal Balance") (determined as of the close of each day) from the dated date until such Principal Balance is paid in full. The Principal Balance (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360 day year for the actual number of days elapsed) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such other date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on the last day of each LIBOR Interest Period while the Series 2017 Bonds (as hereinafter defined) are in the Bank Purchase Rate Mode (each an "Interest Payment Date"). Capitalized terms used in this Bond which are not otherwise defined herein shall have the

meanings ascribed to them in the trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee") for the holders of the Initial Bonds, and the supplemental indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture" and together with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, being collectively referred to as the "Indenture") that was entered into by and between the Issuer and the Trustee. Commencing on May 1, 2018, principal payments shall be made and continued thereafter on the first day of each calendar month in accordance with the principal payment Schedule attached hereto and made a part hereof.

The principal of this Bond due on the Maturity Date shall be paid on the Maturity Date upon presentation and surrender hereof at the corporate trust office presently located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York 14203 (the "Office of the Trustee") of the Trustee under the Indenture, or at the duly designated office of any successor trustee under the Indenture.

Payment of the principal of and interest on the Bonds shall be made for the account of the Issuer by check delivered or mailed by the Institution (as hereinafter defined) to Citizens Bank, N.A. (the "Agent"), as administrative agent of Citizens Funding Corp. (the "Holder" or the "Bondowner"), at 250 South Clinton Street, Syracuse, New York 13202 or in such other manner as the Agent may determine from time to time.

#### (Project Description)

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B" in the aggregate principal amount of \$500,000 (the "Series 2017 Bonds"). The Series 2017 Bonds are issued for the purpose of assisting in providing financing to the Issuer for a project (the "Series 2017 Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York, which Series 2017 Project consists of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Land (collectively, the "Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from certain mortgage recording taxes.

As provided in the Indenture, additional Series of Bonds (the "Additional Bonds", and collectively with the Series 2017 Bonds, the "Bonds") may be issued from time to time pursuant to supplements to the Indenture on a parity with, and secured and payable equally and ratably with, all other Series of Bonds issued under the Indenture, which Additional Bonds may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture and the supplement thereto authorizing

any such Series of Additional Bonds. The aggregate principal amount of Bonds which may be issued under the Indenture is not limited, except as otherwise provided in the Indenture.

(Calculation of Interest)

This Series 2017 Bond shall bear interest as follows:

(1) Interest. The Series 2017 Bonds shall bear interest at the Bank Purchase Rate. After the occurrence and during the continuance of any Event of Default, this Bond will, at the option of the Agent, bear interest at a rate per annum which at all times shall be equal to the sum of (i) four (4%) percent per annum plus (ii) the Bank Purchase Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within fifteen (15) days after the same is due, the Institution shall pay to the Agent a late fee equal to \$100.

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

(i) shall subject such Bondowner to any imposition or other charge with respect to any amounts due under the Indenture or any Bonds (except for changes in the rate of tax on the overall net income of such Bondowner); or

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

and the result of any of the foregoing is to increase the cost to a Bondowner of making or maintaining the investment evidenced by any Bonds or to reduce the amount of any sum received or receivable by such Bondowner under the Indenture or under any Bonds by an amount deemed by such Bondowner to be material, then, upon demand by such Bondowner and receipt by the Institution of a certificate from such Bondowner setting forth its calculation of the amount owed, the Institution shall forthwith pay to such Bondowner such additional amount or amounts as will compensate such Bondowner for such increased costs or reduction in receipts.

(b) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by a Bondowner, or any person controlling such Bondowner, and such Bondowner determines (in its sole and absolute discretion) that the rate of return on its or such controlling person's capital as a consequence of such Bondowner's ownership of the Bonds are reduced to a level below that which such Bondowner or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Bondowner (or the Agent on behalf of a Bondowner) to the Institution, the Institution shall immediately pay directly

to such Bondowner (or the Agent on behalf of a Bondowner) additional amounts sufficient to compensate such Bondowner or such controlling person for such reduction in rate of return. A statement of the relevant Bondowner (or the Agent on behalf of a Bondowner) as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Institution. In determining such amount, the relevant Bondowner may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

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

(d) No failure on the part of any Bondowner to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of any Bondowner to deliver any certificate in a timely manner shall in any way reduce any obligation of the Institution to any Bondowner under this subsection (d). If a Bondowner has granted a participation in any Bonds, the Institution's obligations to such Bondowner under this subsection (D) will be computed as if such participation had not taken place, with the relevant Bondowner to be responsible for payments to the participants in accordance with the relevant participation agreements.

(e) Notwithstanding the foregoing, the "Regulatory Changes" to which this paragraph (2) applies will not be deemed to include any change the result of which is a Determination of Taxability, as defined in paragraph (4).

(3) Corporate Tax Rate Changes. (a) If the Maximum Marginal Statutory Tax Rate (as defined below) imposed upon income of corporations generally (whether or not any Bondowner is actually taxed at said maximum marginal statutory rate) decreases for any period during which the Bonds are outstanding, the factor of 65% ("Tax-Exempt Rate Factor") used in calculating the interest rate on the Series 2017 Bonds shall be increased, proportionately, so that, for example, if the maximum marginal statutory corporate tax rate is zero, the interest rate on the Bonds will be equal to the Adjusted LIBOR Rate, as determined by the Bondholder for each LIBOR Interest Period, plus 2.50%. If the maximum marginal statutory corporate tax rate increases after the date of issuance of the Bonds, the Bank may in its sole discretion decrease the 65% factor.

(i) For example, the new Tax-Exempt Rate Factor would be the product of (x) one minus the Maximum Marginal Statutory Rate times (y) 1.53846 times (z) 65%. The Tax-Exempt Rate Factor will change on the first day of the month next succeeding the effective date of the enactment of legislation decreasing the Maximum Marginal Statutory Tax Rate.

(b) "Maximum Marginal Statutory Tax Rate" means the tax rate assessed on the highest tax bracket of income to be imposed upon domestic corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as amended (or corresponding section in any future enacted federal income tax law). As of the date of this Agreement, the current Maximum Marginal Statutory Rate is 35% and the Tax-Exempt Factor Rate is 65%.

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(4) Taxability of Interest. (a) Determination of Taxability. A “Determination of Taxability,” with respect to the Bonds shall occur upon (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 Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holder of the Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on the Bonds is not excluded from gross income for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (1) unless the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) offers the Institution the opportunity to control the contest thereof, provided the Institution shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder against all liabilities in connection therewith, and (2) until the expiration of all periods for judicial review or appeal.

(b) Reimbursement. The Institution will promptly reimburse each owner of Bonds subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such owner in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on the Bonds in the federal gross income of such owner prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the owner to the extent of any recovery thereof from the United States.

(c) No Damages. The payments provided for in this section are in lieu of any damages which might otherwise be payable to the Bondowner by reason of the taxability of interest on the Bonds, and the obligations of the Institution under this section shall survive the defeasance of the Indenture and the termination of the lien hereof and the payment of the Bonds.

(5) Conversion to and from the Bank Purchase Rate Mode.

(a) The Series 2017 Bonds may be converted in whole to the Bank Purchase Rate Mode by taking such actions and giving such notices as are required under the Indenture for such conversion.

(b) Conversion from the Bank Purchase Rate Mode. The Institution may convert the Series 2017 Bonds bearing interest in the Bank Purchase Rate Mode to a new Interest Rate Mode in whole, effective on any Bank Tender Purchase Date at any time, only upon (i) receipt by the Trustee of notice from (x) a Credit Facility Issuer that a Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (y) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, (ii) 30 days’ written notice to the Trustee and the Bondowner and (iii) compliance with the requirements of the Indenture for conversion to the new Interest Rate Mode. The Series 2017 Bonds shall be subject to mandatory tender for purchase in connection with any such Conversion.

(6) Usury. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2017 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

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(7) Book Entry System. The Book Entry System shall not apply to the Series 2017 Bonds while the Series 2017 Bonds are in the Bank Purchase Rate Mode.

(Purchase on Demand)

This Bond will be subject to demand for purchase at the election of the Agent (1) with respect to the Series 2017A Bonds and Series 2017C Bonds, in whole on March 1, 2027 and thereafter every ten (10) years on March 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date (the "Tender Option") or (2) in whole upon the Business Day immediately following the date upon which the Agent shall notify the Institution, the Issuer and the Trustee that an Event of Default has occurred and is existing under the Continuing Covenant Agreement and directing that the Bonds be purchased by the Institution. On or before March 1, 2026 and on or before March 1 of every tenth (10th) year thereafter, the Institution may request in writing that the Agent not exercise the Tender Option on the following March 1. Any agreement not to exercise any other or future Tender Option on the following March 1 shall be in the Agent's sole discretion. The Institution hereby acknowledges that the Agent's willingness not to exercise the Tender Option on the following March 1 shall not obligate the Agent to waive the Agent's right to exercise its Tender Option. The Agent will notify the Institution within ninety (90) days after the Agent's receipt of the Institution's written request therefor of whether or not the Agent agrees not to exercise the Tender Option. In the event that the Agent waives and agrees not to exercise the Tender Option on the following March 1 and such waiver and agreement is subject to the condition that the Bank Purchase Rate or other terms of the Bonds or the Continuing Covenant Agreement be modified, such modification shall not take effect and the Tender Option on the following March 1 shall not be waived unless the Agent shall have been furnished with, at the Institution's expense, an opinion of Bond Counsel acceptable to the Agent to the effect that such modifications will not adversely affect the exclusion from federal income taxation of interest on the Series 2017 Bonds.

During the Bank Purchase Rate Period, the Series 2017 Bonds are also subject to tender for mandatory purchase on any Purchase Date in connection with Conversion of the Series 2017 Bonds to bear interest in another Interest Rate Mode at a price equal to 100% of the outstanding principal amount thereof, plus accrued interest to the purchase date upon 30 days' written notice from the Institution to the Trustee and the Bondowner.

Owners of Bonds required to be tendered shall be required to deliver their Bonds to the Trustee upon payment of the Purchase Price, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Any such Bonds not so delivered on such Purchase Date ("Undelivered Bonds"), for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay the Purchase Price (as defined below) of such Undelivered Bonds, shall be deemed to have been purchased pursuant to the Indenture.

IN THE EVENT OF A FAILURE BY AN OWNER OF BOND REQUIRED TO BE TENDERED TO DELIVER ITS BOND ON OR PRIOR TO THE PURCHASE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE ON OR SUBSEQUENT TO SUCH PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BOND, AND ANY SUCH UNDELIVERED BOND SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF PAYMENT OF THE PURCHASE PRICE THEREFOR.

(Security for the Bonds)

The Bonds are issued under and is equally and ratably secured by the Indenture, except that the Series 2017 Bonds are not secured by the Reserve Fund. The Indenture grants the Trustee a first security interest in the Trust Revenues (as defined in the Indenture).

**During the Bank Purchase Rate Period, the Series 2017 Bonds are not secured by a Letter of Credit.** While the Series 2017 Bonds are in the Bank Purchase Rate Mode, in all cases in which the Trustee is requested to effect the transfer or exchange of an Series 2017 Bonds, or a portion thereof, the Trustee shall authenticate and deliver such Series 2017 Bonds (or portion thereof) only upon (1) receipt by the Trustee of notice from (i) the Bank that a new Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (ii) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of such Series 2017 Bonds, the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017 Bonds (or any other Series 2017 Bonds) under any of the Securities Laws (or proof of registration under such Securities Laws).

As security for payment of the Institution's obligations under the Loan Agreement, the Institution has granted a first mortgage Lien on and security interest in the Mortgaged Property to the Issuer and the Agent pursuant to a building loan, mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 (the "Series 2017 Mortgage"). The Issuer has assigned the Series 2017 Mortgage to the Agent.

As additional security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Loan Agreement (except the Unassigned Rights), including the right to receive loan payments and other amounts payable thereunder, pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Series 2017 Amendment to Pledge and Assignment, loan payments made by the Institution under the Loan Agreement are to be paid directly to the Trustee or the Credit Facility Issuer. Further security for the repayment of the Bonds, the Loan Agreement, and the Bond Purchase Agreement are provided by a guaranty dated as of March 1, 2017 (the "Series 2017 Guaranty of Foundation") from the Upstate Home for Children Foundation, Inc. to the Holder.

The Series 2017 Mortgage and the Series 2017 Mortgage Assignment were recorded in the office of the County Clerk of Otsego County, New York.

Reference is hereby made to the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Pledge and Assignment, and the Series 2017 Guaranty of Foundation, and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Bank, the Institution and the Bondholders. Copies of such documents are on file in the Office of the Trustee.

THE BOND IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE SERIES 2017 MORTGAGE, THE SERIES 2017 PLEDGE AND ASSIGNMENT, AND THE SERIES 2017 GUARANTY OF FOUNDATION.



(General Optional Redemption)

During the Bank Purchase Rate Period, the Series 2017 Bonds are prepayable at the election of the Institution at par at any time, in whole or in part. The Institution shall notify the Trustee and the Bondowner of the date and amount of any such prepayment in writing at least 30 days in advance thereof. Upon any prepayment of all or any portion of the principal of the Series 2017 Bonds (including, for the purposes of this paragraph, any purchase of the Series 2017 Bonds from the Bondowner) on any day that is not the last day of the relevant LIBOR Interest Period (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Institution shall pay an amount (a "LIBOR Breakage Fee"), as calculated by the Bondowner, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Bondowner may sustain as a result of such prepayment. The Institution understands, agrees and acknowledges that: (a) the Bondowner does not have any obligation to purchase, sell and/or match funds in connection with the use of the Adjusted LIBOR Rate as a basis for calculating the rate of interest on the Series 2017 Bonds, (b) the Adjusted LIBOR Rate may be used merely as a reference in determining such rate, and (c) the Institution has accepted the Adjusted LIBOR Rate as a reasonable and fair basis for calculating the LIBOR Breakage Fee and other funding losses incurred by the Bondowner. The Institution further agrees to pay the LIBOR Breakage Fee and other funding losses, if any, whether or not the Bondowner elects to purchase, sell and/or match funds.

(Extraordinary Redemption)

The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, as a whole on any date, upon written notice or waiver of notice as provided in this Indenture, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if one or more of the following events shall have occurred:

- (1) The Project Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed, at the direction of the Institution, with the Issuer, the Bank and the Trustee (a) the Project Facility cannot be reasonably restored within a period of nine (9) months from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such damage or destruction, or (c) the restoration cost of the Project Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or
- (2) Title to, or the temporary use of, all or substantially all of the Project Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Agent and the Trustee; or
- (3) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Project Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution is required by the Loan Agreement to deliver to the Issuer, the Agent, and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Project Facility for its intended purposes.

(Mandatory Redemption from Excess Proceeds)

The Bonds are also subject to redemption prior to maturity in whole or in part on any Interest Payment Date, without premium, (1) as provided in Section 406(G) of the Initial Indenture, in the event that and to the extent (a) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution, and (b) such excess moneys are not paid to the Institution pursuant to Section 406(G) of the Initial Indenture, (2) as provided in Section 404 of the Indenture, excess moneys remain in the Project Fund after the Completion Date (as defined in the Continuing Covenant Agreement), or (3) excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 3.6 of the Initial Loan Agreement, in each case to the extent of such excess. In any such event, the Series 2017 Bonds shall be redeemed, in whole or in part, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Mandatory Redemption Upon Failure to Operate  
Project Facility In Accordance With Applicable Law)

The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, on any Interest Payment Date, in the event the Issuer shall determine that the Institution is operating the Project Facility or any portion thereof in violation of material Applicable Law, and the failure of the Institution to cure such noncompliance within the time periods set forth in the Loan Agreement, upon written notice or waiver of notice as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the Redemption Date.

(Mandatory Redemption Upon Release of Any Part of,  
or Interest in, the Project Facility from the Lien of the Series 2017 Mortgage)

The Bonds are subject to redemption prior to maturity at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, in whole on any date or in part on any Interest Payment Date, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if the Institution takes any action described in Section 9.4(C) of the Initial Loan Agreement. The Institution shall, within one hundred eighty (180) days after such action is taken, cause the Bonds to be redeemed in an amount equal to the amount of Bond Proceeds allocable to that part of the Project Facility that was the subject of such action.

(Mandatory Redemption Upon Receipt of Notice From the Agent)

The Bonds are also subject to redemption prior to maturity upon receipt by the Trustee of a written notice from the Agent of the occurrence and continuance of a default by the Institution under the Continuing Covenants Agreement and the Agent's election to compel redemption of the Bonds. In such event, the Bonds shall be redeemed, as a whole, in the manner provided in this Article III, on the earliest date for

which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Procedures for Redemption)

Notice of the intended redemption of Bonds subject to redemption shall be given as provided in the Indenture. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred.

In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot (except that any Pledged Bonds shall be redeemed prior to any other Bonds). In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the outstanding Series of Bonds to be redeemed and by lot within a maturity.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

(Miscellaneous)

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal of this Bond may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Series 2017 Bonds are issuable in the denomination of \$100,000 or any integral multiple of \$1.00 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the Office of the Trustee, as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative. Upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same Series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bonds shall be delivered.

The Person in whose name any Bonds shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, or premium if any or (subject to Section 207 of the Initial Indenture) interest on, any such Bonds shall be made only to or upon the order of the registered owner thereof or his duly authorized legal representative. Such registration may be changed only as provided in this Bond and in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of Bonds or be effective to transfer any Bonds. All payments to the Person in whose name any Bonds shall be registered (subject to said Section 207) shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums to be paid.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication of the Trustee shall be endorsed hereon.

THE BOND DOES NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BOND DOES NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

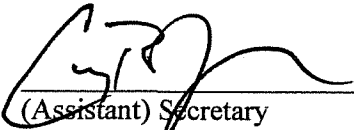
IN WITNESS WHEREOF, Otsego County Capital Resource Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or reproduced hereon, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date identified above.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY:   
(Vice) Chairman

(SEAL)

ATTEST:

  
(Assistant) Secretary

SPECIMEN

Certificate of Authentication

This Bond is one of the Bonds of the Series designated therein described in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: Harvey A. Auld  
Authorized Officer

March 27, 2017  
Date of Authentication

SPECIMEN

[Assignment for Transfer]

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

the \_\_\_\_\_ within Bonds and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bonds on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

SPECIMEN

Signature Guaranteed:

Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Schedule of Principal Payments

No.	Payment Date	Principal
1	5/1/2018	9,787.84
2	6/1/2018	9,813.54
3	7/1/2018	9,839.30
4	8/1/2018	9,865.12
5	9/1/2018	9,891.02
6	10/1/2018	9,916.98
7	11/1/2018	9,943.02
8	12/1/2018	9,969.12
9	1/1/2019	9,995.29
10	2/1/2019	10,021.52
11	3/1/2019	10,047.83
12	4/1/2019	10,074.20
13	5/1/2019	10,100.65
14	6/1/2019	10,127.16
15	7/1/2019	10,153.75
16	8/1/2019	10,180.40
17	9/1/2019	10,207.12
18	10/1/2019	10,233.92
19	11/1/2019	10,260.78
20	12/1/2019	10,287.72
21	1/1/2020	10,314.72
22	2/1/2020	10,341.80
23	3/1/2020	10,368.95
24	4/1/2020	10,396.16
25	5/1/2020	10,423.45
26	6/1/2020	10,450.82
27	7/1/2020	10,478.25
28	8/1/2020	10,505.75
29	9/1/2020	10,533.33
30	10/1/2020	10,560.98
31	11/1/2020	10,588.70
32	12/1/2020	10,616.50
33	1/1/2021	10,644.37
34	2/1/2021	10,672.31
35	3/1/2021	10,700.32
36	4/1/2021	10,728.41
37	5/1/2021	10,756.58
38	6/1/2021	10,784.81
39	7/1/2021	10,813.12
40	8/1/2021	10,841.51
41	9/1/2021	10,869.96
42	10/1/2021	10,898.50
43	11/1/2021	10,927.11
44	12/1/2021	10,955.79
45	1/1/2022	10,984.55
46	2/1/2022	11,013.38
47	3/1/2022	11,042.29
48	4/1/2022	11,071.28

SPECIAL



Any Bondholder who fails to deliver this Bond for purchase at the times and at the place required herein shall have no further rights hereunder except the right to receive the purchase price hereof upon presentation and surrender of this Bond to the Trustee as described herein, and shall hold this Bond as agent for the Trustee.

This Bond has not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and this Bond may not be transferred or pledged except upon either (1) receipt by the Trustee of notice from (a) the Bank that a Letter of Credit has been issued with respect to the Series 2017C Bonds then Outstanding or (b) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017C Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of this Bond the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017C Bonds under any of the Securities Laws (or proof of registration under such Securities Laws).

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
 (a not-for-profit corporation of the State of New York)  
 TAX-EXEMPT MULTI-MODE VARIABLE RATE  
 REVENUE BOND  
 (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017C

NO.: 2017CR-1	PRINCIPAL AMOUNT: UP TO \$4,450,000
INTEREST RATE: the Bank Purchase Rate, except as set forth below	MATURITY DATE: August 1, 2044
DATED DATE: March 27, 2017	
REGISTERED OWNER: Citizens Funding Corp.	

SPECIMEN

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, or its registered successors or assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the principal sum of up to FOUR MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$4,450,000) with interest thereon or on so much thereof as is from time to time outstanding and unpaid hereunder (hereinafter called the "Principal Balance") (determined as of the close of each day) from the dated date until such Principal Balance is paid in full. The Principal Balance (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360 day year for the actual number of days elapsed) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such other date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on the last day of each LIBOR Interest Period while the Series 2017 Bonds (as hereinafter defined) are in the Bank Purchase Rate Mode (each an "Interest Payment Date"). Capitalized terms used in this Bond

which are not otherwise defined herein shall have the meanings ascribed to them in the trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee") for the holders of the Initial Bonds, and the supplemental indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture" and together with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, being collectively referred to as the "Indenture") that was entered into by and between the Issuer and the Trustee. Commencing on September 1, 2019, principal payments shall be made and continued thereafter on the first day of each calendar month in accordance with the principal payment Schedule attached hereto and made a part hereof. Prior to the first principal payment, the Holder and Institution may revise the principal payments based on the actual principal advanced on this Bond and shall revise the schedule to reflect the agreed upon principal payments; provided that, the Maturity Date shall not be extended.

The principal of this Bond due on the Maturity Date shall be paid on the Maturity Date upon presentation and surrender hereof at the corporate trust office presently located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York 14203 (the "Office of the Trustee") of the Trustee under the Indenture, or at the duly designated office of any successor trustee under the Indenture.

Payment of the principal of and interest on the Bonds shall be made for the account of the Issuer by check delivered or mailed by the Institution (as hereinafter defined) to Citizens Bank, N.A. (the "Agent"), as administrative agent of Citizens Funding Corp. (the "Holder" or the "Bondowner"), at 250 South Clinton Street, Syracuse, New York 13202 or in such other manner as the Agent may determine from time to time.

(Project Description)

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C" in the aggregate principal amount of \$4,450,000 (the "Series 2017 Bonds"). The Series 2017 Bonds are issued for the purpose of assisting in providing financing to the Issuer for a project (the "Series 2017 Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York, which Series 2017 Project consists of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Land (collectively, the "Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from certain mortgage recording taxes.

As provided in the Indenture, additional Series of Bonds (the "Additional Bonds", and collectively with the Series 2017 Bonds, the "Bonds") may be issued from time to time pursuant to supplements to the Indenture on a parity with, and secured and payable equally and ratably with, all other Series of Bonds issued under the Indenture, which Additional Bonds may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture and the supplement thereto authorizing any such Series of Additional Bonds. The aggregate principal amount of Bonds which may be issued under the Indenture is not limited, except as otherwise provided in the Indenture.

(Calculation of Interest)

This Series 2017 Bond shall bear interest as follows:

(1) Interest. The Series 2017 Bonds shall bear interest at the Bank Purchase Rate. After the occurrence and during the continuance of any Event of Default, this Bond will, at the option of the Agent, bear interest at a rate per annum which at all times shall be equal to the sum of (i) four (4%) percent per annum plus (ii) the Bank Purchase Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within fifteen (15) days after the same is due, the Institution shall pay to the Agent a late fee equal to \$100.

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

(i) shall subject such Bondowner to any imposition or other charge with respect to any amounts due under the Indenture or any Bonds (except for changes in the rate of tax on the overall net income of such Bondowner); or

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

and the result of any of the foregoing is to increase the cost to a Bondowner of making or maintaining the investment evidenced by any Bonds or to reduce the amount of any sum received or receivable by such Bondowner under the Indenture or under any Bonds by an amount deemed by such Bondowner to be material, then, upon demand by such Bondowner and receipt by the Institution of a certificate from such Bondowner setting forth its calculation of the amount owed, the Institution shall forthwith pay to such Bondowner such additional amount or amounts as will compensate such Bondowner for such increased costs or reduction in receipts.

(b) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by a Bondowner, or any person controlling such Bondowner, and such Bondowner determines (in its

sole and absolute discretion) that the rate of return on its or such controlling person's capital as a consequence of such Bondowner's ownership of the Bonds are reduced to a level below that which such Bondowner or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Bondowner (or the Agent on behalf of a Bondowner) to the Institution, the Institution shall immediately pay directly to such Bondowner (or the Agent on behalf of a Bondowner) additional amounts sufficient to compensate such Bondowner or such controlling person for such reduction in rate of return. A statement of the relevant Bondowner (or the Agent on behalf of a Bondowner) as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Institution. In determining such amount, the relevant Bondowner may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

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

(d) No failure on the part of any Bondowner to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of any Bondowner to deliver any certificate in a timely manner shall in any way reduce any obligation of the Institution to any Bondowner under this subsection (d). If a Bondowner has granted a participation in any Bonds, the Institution's obligations to such Bondowner under this subsection (D) will be computed as if such participation had not taken place, with the relevant Bondowner to be responsible for payments to the participants in accordance with the relevant participation agreements.

(e) Notwithstanding the foregoing, the "Regulatory Changes" to which this paragraph (2) applies will not be deemed to include any change the result of which is a Determination of Taxability, as defined in paragraph (4).

(3) Corporate Tax Rate Changes. (a) If the Maximum Marginal Statutory Tax Rate (as defined below) imposed upon income of corporations generally (whether or not any Bondowner is actually taxed at said maximum marginal statutory rate) decreases for any period during which the Bonds are outstanding, the factor of 65% ("Tax-Exempt Rate Factor") used in calculating the interest rate on the Series 2017 Bonds shall be increased, proportionately, so that, for example, if the maximum marginal statutory corporate tax rate is zero, the interest rate on the Bonds will be equal to the Adjusted LIBOR Rate, as determined by the Bondholder for each LIBOR Interest Period, plus 2.50%. If the maximum marginal statutory corporate tax rate increases after the date of issuance of the Bonds, the Bank may in its sole discretion decrease the 65% factor.

(i) For example, the new Tax-Exempt Rate Factor would be the product of (x) one minus the Maximum Marginal Statutory Rate times (y) 1.53846 times (z) 65%. The Tax-Exempt Rate Factor will change on the first day of the month next succeeding the effective date of the enactment of legislation decreasing the Maximum Marginal Statutory Tax Rate.

(b) "Maximum Marginal Statutory Tax Rate" means the tax rate assessed on the highest tax bracket of income to be imposed upon domestic corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as amended (or corresponding section in any future enacted federal income tax

law). As of the date of this Agreement, the current Maximum Marginal Statutory Rate is 35% and the Tax-Exempt Factor Rate is 65%.

(4) Taxability of Interest. (a) Determination of Taxability. A "Determination of Taxability," with respect to the Bonds shall occur upon (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 Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holder of the Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on the Bonds is not excluded from gross income for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (1) unless the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) offers the Institution the opportunity to control the contest thereof, provided the Institution shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder against all liabilities in connection therewith, and (2) until the expiration of all periods for judicial review or appeal.

(b) Reimbursement. The Institution will promptly reimburse each owner of Bonds subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such owner in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on the Bonds in the federal gross income of such owner prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the owner to the extent of any recovery thereof from the United States.

(c) No Damages. The payments provided for in this section are in lieu of any damages which might otherwise be payable to the Bondowner by reason of the taxability of interest on the Bonds, and the obligations of the Institution under this section shall survive the defeasance of the Indenture and the termination of the lien hereof and the payment of the Bonds.

(5) Conversion to and from the Bank Purchase Rate Mode.

(a) The Series 2017 Bonds may be converted in whole to the Bank Purchase Rate Mode by taking such actions and giving such notices as are required under the Indenture for such conversion.

(b) Conversion from the Bank Purchase Rate Mode. The Institution may convert the Series 2017 Bonds bearing interest in the Bank Purchase Rate Mode to a new Interest Rate Mode in whole, effective on any Bank Tender Purchase Date at any time, only upon (i) receipt by the Trustee of notice from (x) a Credit Facility Issuer that a Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (y) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, (ii) 30 days' written notice to the Trustee and the Bondowner and (iii) compliance with the requirements

of the Indenture for conversion to the new Interest Rate Mode. The Series 2017 Bonds shall be subject to mandatory tender for purchase in connection with any such Conversion.

(6) Usury. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2017 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(7) Book Entry System. The Book Entry System shall not apply to the Series 2017 Bonds while the Series 2017 Bonds are in the Bank Purchase Rate Mode.

(Purchase on Demand)

This Bond will be subject to demand for purchase at the election of the Agent (1) with respect to the Series 2017A Bonds and Series 2017C Bonds, in whole on March 1, 2027 and thereafter every ten (10) years on March 1 upon not less than 180 days written notice of demand to the Institution which notice shall specify the Purchase Date (the "Tender Option") or (2) in whole upon the Business Day immediately following the date upon which the Agent shall notify the Institution, the Issuer and the Trustee that an Event of Default has occurred and is existing under the Continuing Covenant Agreement and directing that the Bonds be purchased by the Institution. On or before March 1, 2026 and on or before March 1 of every tenth (10th) year thereafter, the Institution may request in writing that the Agent not exercise the Tender Option on the following March 1. Any agreement not to exercise any other or future Tender Option on the following March 1 shall be in the Agent's sole discretion. The Institution hereby acknowledges that the Agent's willingness not to exercise the Tender Option on the following March 1 shall not obligate the Agent to waive the Agent's right to exercise its Tender Option. The Agent will notify the Institution within ninety (90) days after the Agent's receipt of the Institution's written request therefor of whether or not the Agent agrees not to exercise the Tender Option. In the event that the Agent waives and agrees not to exercise the Tender Option on the following March 1 and such waiver and agreement is subject to the condition that the Bank Purchase Rate or other terms of the Bonds or the Continuing Covenant Agreement be modified, such modification shall not take effect and the Tender Option on the following March 1 shall not be waived unless the Agent shall have been furnished with, at the Institution's expense, an opinion of Bond Counsel acceptable to the Agent to the effect that such modifications will not adversely affect the exclusion from federal income taxation of interest on the Series 2017 Bonds.

During the Bank Purchase Rate Period, the Series 2017 Bonds are also subject to tender for mandatory purchase on any Purchase Date in connection with Conversion of the Series 2017 Bonds to bear interest in another Interest Rate Mode at a price equal to 100% of the outstanding principal amount thereof, plus accrued interest to the purchase date upon 30 days' written notice from the Institution to the Trustee and the Bondowner.

Owners of Bonds required to be tendered shall be required to deliver their Bonds to the Trustee upon payment of the Purchase Price, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Any such Bonds not so delivered on such Purchase Date ("Undelivered Bonds"), for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay the Purchase Price (as defined below) of such Undelivered Bonds, shall be deemed to have been purchased pursuant to the Indenture.

IN THE EVENT OF A FAILURE BY AN OWNER OF BOND REQUIRED TO BE TENDERED TO DELIVER ITS BOND ON OR PRIOR TO THE PURCHASE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE ON OR SUBSEQUENT TO SUCH PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BOND, AND ANY SUCH UNDELIVERED BOND SHALL NO LONGER BE

ENTITLED TO THE BENEFITS OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF PAYMENT OF THE PURCHASE PRICE THEREFOR.

(Security for the Bonds)

The Bonds are issued under and is equally and ratably secured by the Indenture, except that the Series 2017 Bonds are not secured by the Reserve Fund. The Indenture grants the Trustee a first security interest in the Trust Revenues (as defined in the Indenture).

**During the Bank Purchase Rate Period, the Series 2017 Bonds are not secured by a Letter of Credit.** While the Series 2017 Bonds are in the Bank Purchase Rate Mode, in all cases in which the Trustee is requested to effect the transfer or exchange of an Series 2017 Bonds, or a portion thereof, the Trustee shall authenticate and deliver such Series 2017 Bonds (or portion thereof) only upon (1) receipt by the Trustee of notice from (i) the Bank that a new Letter of Credit has been issued with respect to the Series 2017 Bonds then Outstanding or (ii) a Rating Agency, to the effect that such Rating Agency has assigned an investment grade rating to the Series 2017 Bonds then Outstanding, or (2) the Trustee receives from the then-existing Holder of such Series 2017 Bonds, the following: (x) evidence that the proposed new Holder is a Financial Institution, and (y) an opinion of Independent Counsel, to the effect that such transfer will not require registration of such Series 2017 Bonds (or any other Series 2017 Bonds) under any of the Securities Laws (or proof of registration under such Securities Laws).

As security for payment of the Institution's obligations under the Loan Agreement, the Institution has granted a first mortgage Lien on and security interest in the Mortgaged Property to the Issuer and the Agent pursuant to a building loan, mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 (the "Series 2017 Mortgage"). The Issuer has assigned the Series 2017 Mortgage to the Agent.

As additional security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Loan Agreement (except the Unassigned Rights), including the right to receive loan payments and other amounts payable thereunder, pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Series 2017 Amendment to Pledge and Assignment, loan payments made by the Institution under the Loan Agreement are to be paid directly to the Trustee or the Credit Facility Issuer. Further security for the repayment of the Bonds, the Loan Agreement, and the Bond Purchase Agreement are provided by a guaranty dated as of March 1, 2017 (the "Series 2017 Guaranty of Foundation") from the Upstate Home for Children Foundation, Inc. to the Holder.

The Series 2017 Mortgage and the Series 2017 Mortgage Assignment were recorded in the office of the County Clerk of Otsego County, New York.

Reference is hereby made to the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Pledge and Assignment, and the Series 2017 Guaranty of Foundation, and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Bank, the Institution and the Bondholders. Copies of such documents are on file in the Office of the Trustee.

THE BOND IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY

PROVIDED BY THE SERIES 2017 MORTGAGE, THE SERIES 2017 PLEDGE AND ASSIGNMENT,  
AND THE SERIES 2017 GUARANTY OF FOUNDATION.

(General Optional Redemption)

During the Bank Purchase Rate Period, the Series 2017 Bonds are prepayable at the election of the Institution at par at any time, in whole or in part. The Institution shall notify the Trustee and the Bondowner of the date and amount of any such prepayment in writing at least 30 days in advance thereof. Upon any prepayment of all or any portion of the principal of the Series 2017 Bonds (including, for the purposes of this paragraph, any purchase of the Series 2017 Bonds from the Bondowner) on any day that is not the last day of the relevant LIBOR Interest Period (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Institution shall pay an amount (a "LIBOR Breakage Fee"), as calculated by the Bondowner, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Bondowner may sustain as a result of such prepayment. The Institution understands, agrees and acknowledges that: (a) the Bondowner does not have any obligation to purchase, sell and/or match funds in connection with the use of the Adjusted LIBOR Rate as a basis for calculating the rate of interest on the Series 2017 Bonds, (b) the Adjusted LIBOR Rate may be used merely as a reference in determining such rate, and (c) the Institution has accepted the Adjusted LIBOR Rate as a reasonable and fair basis for calculating the LIBOR Breakage Fee and other funding losses incurred by the Bondowner. The Institution further agrees to pay the LIBOR Breakage Fee and other funding losses, if any, whether or not the Bondowner elects to purchase, sell and/or match funds.

(Extraordinary Redemption)

The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, as a whole on any date, upon written notice or waiver of notice as provided in this Indenture, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if one or more of the following events shall have occurred:

- (1) The Project Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed, at the direction of the Institution, with the Issuer, the Bank and the Trustee (a) the Project Facility cannot be reasonably restored within a period of nine (9) months from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such damage or destruction, or (c) the restoration cost of the Project Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or
- (2) Title to, or the temporary use of, all or substantially all of the Project Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation of the Project Facility for a period of nine (9) months from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Agent and the Trustee; or
- (3) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance



in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Project Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution is required by the Loan Agreement to deliver to the Issuer, the Agent, and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Project Facility for its intended purposes.

(Mandatory Redemption from Excess Proceeds)

The Bonds are also subject to redemption prior to maturity in whole or in part on any Interest Payment Date, without premium, (1) as provided in Section 406(G) of the Initial Indenture, in the event that and to the extent (a) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution, and (b) such excess moneys are not paid to the Institution pursuant to Section 406(G) of the Initial Indenture, (2) as provided in Section 404 of the Indenture, excess moneys remain in the Project Fund after the Completion Date (as defined in the Continuing Covenant Agreement), or (3) excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 3.6 of the Initial Loan Agreement, in each case to the extent of such excess. In any such event, the Series 2017 Bonds shall be redeemed, in whole or in part, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Mandatory Redemption Upon Failure to Operate  
Project Facility In Accordance With Applicable Law)

The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, on any Interest Payment Date, in the event the Issuer shall determine that the Institution is operating the Project Facility or any portion thereof in violation of material Applicable Law, and the failure of the Institution to cure such noncompliance within the time periods set forth in the Loan Agreement, upon written notice or waiver of notice as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the Redemption Date.

(Mandatory Redemption Upon Release of Any Part of,  
or Interest in, the Project Facility from the Lien of the Series 2017 Mortgage)

The Bonds are subject to redemption prior to maturity at the option of the Issuer exercised at the direction of the Agent during the Bank Purchase Rate Period, in whole on any date or in part on any Interest Payment Date, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date if the Institution takes any action described in Section 9.4(C) of the Initial Loan Agreement. The Institution shall, within one hundred eighty (180) days after such action is taken, cause the Bonds to be redeemed in an amount equal to the amount of Bond Proceeds allocable to that part of the Project Facility that was the subject of such action.

(Mandatory Redemption Upon Receipt of Notice From the Agent)

The Bonds are also subject to redemption prior to maturity upon receipt by the Trustee of a written notice from the Agent of the occurrence and continuance of a default by the Institution under the Continuing Covenants Agreement and the Agent's election to compel redemption of the Bonds. In such event, the Bonds shall be redeemed, as a whole, in the manner provided in this Article III, on the earliest date for which the Trustee can give notice of redemption pursuant to Section 303 of the Initial Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(Procedures for Redemption)

Notice of the intended redemption of Bonds subject to redemption shall be given as provided in the Indenture. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds with respect to which no such failure to give notice, or defect therein, has occurred.

In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot (except that any Pledged Bonds shall be redeemed prior to any other Bonds). In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the outstanding Series of Bonds to be redeemed and by lot within a maturity.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

(Miscellaneous)

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal of this Bond may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Series 2017 Bonds are issuable in the denomination of \$100,000 or any integral multiple of \$1.00 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the Office of the Trustee, as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative. Upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same Series and maturity, of any authorized

denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bonds shall be delivered.

The Person in whose name any Bonds shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, or premium if any or (subject to Section 207 of the Initial Indenture) interest on, any such Bonds shall be made only to or upon the order of the registered owner thereof or his duly authorized legal representative. Such registration may be changed only as provided in this Bond and in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of Bonds or be effective to transfer any Bonds. All payments to the Person in whose name any Bonds shall be registered (subject to said Section 207) shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums to be paid.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.


This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication of the Trustee shall be endorsed hereon.

THE BOND DOES NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BOND DOES NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

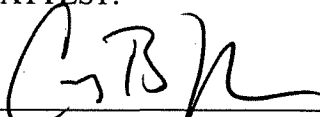
IN WITNESS WHEREOF, Otsego County Capital Resource Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or reproduced hereon, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date identified above.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY:   
(Vice) Chairman

(SEAL)

ATTEST:

  
(Assistant) Secretary

SPECIMEN

Certificate of Authentication

This Bond is one of the Bonds of the Series designated therein described in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: Maureen J. Auld  
Authorized Officer

March 27, 2017  
Date of Authentication

SPECIMEN

[Assignment for Transfer]

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

the within Bonds and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bonds on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

SPECIMEN

Signature Guaranteed:

Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Schedule of Principal Payments

No.	Payment Date	Principal
1	9/1/2019	9,232.67
2	10/1/2019	9,259.99
3	11/1/2019	9,287.38
4	12/1/2019	9,314.86
5	1/1/2020	9,342.41
6	2/1/2020	9,370.05
7	3/1/2020	9,397.77
8	4/1/2020	9,425.57
9	5/1/2020	9,453.46
10	6/1/2020	9,481.42
11	7/1/2020	9,509.47
12	8/1/2020	9,537.60
13	9/1/2020	9,565.82
14	10/1/2020	9,594.12
15	11/1/2020	9,622.50
16	12/1/2020	9,650.97
17	1/1/2021	9,679.52
18	2/1/2021	9,708.15
19	3/1/2021	9,736.87
20	4/1/2021	9,765.68
21	5/1/2021	9,794.57
22	6/1/2021	9,823.54
23	7/1/2021	9,852.61
24	8/1/2021	9,881.75
25	9/1/2021	9,910.99
26	10/1/2021	9,940.31
27	11/1/2021	9,969.71
28	12/1/2021	9,999.21
29	1/1/2022	10,028.79
30	2/1/2022	10,058.46
31	3/1/2022	10,088.21
32	4/1/2022	10,118.06
33	5/1/2022	10,147.99
34	6/1/2022	10,178.01
35	7/1/2022	10,208.12
36	8/1/2022	10,238.32
37	9/1/2022	10,268.61
38	10/1/2022	10,298.99
39	11/1/2022	10,329.45
40	12/1/2022	10,360.01
41	1/1/2023	10,390.66
42	2/1/2023	10,421.40
43	3/1/2023	10,452.23
44	4/1/2023	10,483.15
45	5/1/2023	10,514.16
46	6/1/2023	10,545.27
47	7/1/2023	10,576.46
48	8/1/2023	10,607.75
49	9/1/2023	10,639.13

SPRINT

No.	Payment Date	Principal
50	10/1/2023	10,670.61
51	11/1/2023	10,702.17
52	12/1/2023	10,733.84
53	1/1/2024	10,765.59
54	2/1/2024	10,797.44
55	3/1/2024	10,829.38
56	4/1/2024	10,861.42
57	5/1/2024	10,893.55
58	6/1/2024	10,925.78
59	7/1/2024	10,958.10
60	8/1/2024	10,990.52
61	9/1/2024	11,023.03
62	10/1/2024	11,055.64
63	11/1/2024	11,088.35
64	12/1/2024	11,121.15
65	1/1/2025	11,154.05
66	2/1/2025	11,187.05
67	3/1/2025	11,220.14
68	4/1/2025	11,253.33
69	5/1/2025	11,286.62
70	6/1/2025	11,320.01
71	7/1/2025	11,353.50
72	8/1/2025	11,387.09
73	9/1/2025	11,420.78
74	10/1/2025	11,454.56
75	11/1/2025	11,488.45
76	12/1/2025	11,522.44
77	1/1/2026	11,556.52
78	2/1/2026	11,590.71
79	3/1/2026	11,625.00
80	4/1/2026	11,659.39
81	5/1/2026	11,693.88
82	6/1/2026	11,728.48
83	7/1/2026	11,763.17
84	8/1/2026	11,797.97
85	9/1/2026	11,832.88
86	10/1/2026	11,867.88
87	11/1/2026	11,902.99
88	12/1/2026	11,938.20
89	1/1/2027	11,973.52
90	2/1/2027	12,008.94
91	3/1/2027	12,044.47
92	4/1/2027	12,080.10
93	5/1/2027	12,115.84
94	6/1/2027	12,151.68
95	7/1/2027	12,187.63
96	8/1/2027	12,223.68
97	9/1/2027	12,259.85
98	10/1/2027	12,296.12
99	11/1/2027	12,332.49
100	12/1/2027	12,368.97

SEARCHED



No.	Payment Date	Principal
101	1/1/2028	12,405.57
102	2/1/2028	12,442.27
103	3/1/2028	12,479.07
104	4/1/2028	12,515.99
105	5/1/2028	12,553.02
106	6/1/2028	12,590.15
107	7/1/2028	12,627.40
108	8/1/2028	12,664.76
109	9/1/2028	12,702.22
110	10/1/2028	12,739.80
111	11/1/2028	12,777.49
112	12/1/2028	12,815.29
113	1/1/2029	12,853.20
114	2/1/2029	12,891.22
115	3/1/2029	12,929.36
116	4/1/2029	12,967.61
117	5/1/2029	13,005.97
118	6/1/2029	13,044.45
119	7/1/2029	13,083.04
120	8/1/2029	13,121.74
121	9/1/2029	13,160.56
122	10/1/2029	13,199.49
123	11/1/2029	13,238.54
124	12/1/2029	13,277.71
125	1/1/2030	13,316.99
126	2/1/2030	13,356.38
127	3/1/2030	13,395.90
128	4/1/2030	13,435.53
129	5/1/2030	13,475.27
130	6/1/2030	13,515.14
131	7/1/2030	13,555.12
132	8/1/2030	13,595.22
133	9/1/2030	13,635.44
134	10/1/2030	13,675.78
135	11/1/2030	13,716.23
136	12/1/2030	13,756.81
137	1/1/2031	13,797.51
138	2/1/2031	13,838.33
139	3/1/2031	13,879.26
140	4/1/2031	13,920.32
141	5/1/2031	13,961.51
142	6/1/2031	14,002.81
143	7/1/2031	14,044.23
144	8/1/2031	14,085.78
145	9/1/2031	14,127.45
146	10/1/2031	14,169.24
147	11/1/2031	14,211.16
148	12/1/2031	14,253.20
149	1/1/2032	14,295.37

No.	Payment Date	Principal
150	2/1/2032	14,337.66
151	3/1/2032	14,380.08
152	4/1/2032	14,422.62
153	5/1/2032	14,465.28
154	6/1/2032	14,508.08
155	7/1/2032	14,551.00
156	8/1/2032	14,594.04
157	9/1/2032	14,637.22
158	10/1/2032	14,680.52
159	11/1/2032	14,723.95
160	12/1/2032	14,767.51
161	1/1/2033	14,811.19
162	2/1/2033	14,855.01
163	3/1/2033	14,898.96
164	4/1/2033	14,943.03
165	5/1/2033	14,987.24
166	6/1/2033	15,031.58
167	7/1/2033	15,076.04
168	8/1/2033	15,120.64
169	9/1/2033	15,165.38
170	10/1/2033	15,210.24
171	11/1/2033	15,255.24
172	12/1/2033	15,300.37
173	1/1/2034	15,345.63
174	2/1/2034	15,391.03
175	3/1/2034	15,436.56
176	4/1/2034	15,482.23
177	5/1/2034	15,528.03
178	6/1/2034	15,573.97
179	7/1/2034	15,620.04
180	8/1/2034	15,666.25
181	9/1/2034	15,712.59
182	10/1/2034	15,759.08
183	11/1/2034	15,805.70
184	12/1/2034	15,852.46
185	1/1/2035	15,899.35
186	2/1/2035	15,946.39
187	3/1/2035	15,993.56
188	4/1/2035	16,040.88
189	5/1/2035	16,088.33
190	6/1/2035	16,135.93
191	7/1/2035	16,183.66
192	8/1/2035	16,231.54
193	9/1/2035	16,279.56
194	10/1/2035	16,327.72
195	11/1/2035	16,376.02
196	12/1/2035	16,424.47
197	1/1/2036	16,473.06

No.	Payment Date	Principal
198	2/1/2036	16,521.79
199	3/1/2036	16,570.66
200	4/1/2036	16,619.69
201	5/1/2036	16,668.85
202	6/1/2036	16,718.16
203	7/1/2036	16,767.62
204	8/1/2036	16,817.23
205	9/1/2036	16,866.98
206	10/1/2036	16,916.88
207	11/1/2036	16,966.92
208	12/1/2036	17,017.12
209	1/1/2037	17,067.46
210	2/1/2037	17,117.95
211	3/1/2037	17,168.59
212	4/1/2037	17,219.38
213	5/1/2037	17,270.32
214	6/1/2037	17,321.41
215	7/1/2037	17,372.65
216	8/1/2037	17,424.05
217	9/1/2037	17,475.60
218	10/1/2037	17,527.29
219	11/1/2037	17,579.15
220	12/1/2037	17,631.15
221	1/1/2038	17,683.31
222	2/1/2038	17,735.62
223	3/1/2038	17,788.09
224	4/1/2038	17,840.71
225	5/1/2038	17,893.49
226	6/1/2038	17,946.43
227	7/1/2038	17,999.52
228	8/1/2038	18,052.77
229	9/1/2038	18,106.17
230	10/1/2038	18,159.74
231	11/1/2038	18,213.46
232	12/1/2038	18,267.34
233	1/1/2039	18,321.38
234	2/1/2039	18,375.58
235	3/1/2039	18,429.94
236	4/1/2039	18,484.47
237	5/1/2039	18,539.15
238	6/1/2039	18,593.99
239	7/1/2039	18,649.00
240	8/1/2039	18,704.17
241	9/1/2039	18,759.50
242	10/1/2039	18,815.00
243	11/1/2039	18,870.66
244	12/1/2039	18,926.49
245	1/1/2040	18,982.48

SECRET

No.	Payment Date	Principal
246	2/1/2040	19,038.64
247	3/1/2040	19,094.96
248	4/1/2040	19,151.45
249	5/1/2040	19,208.10
250	6/1/2040	19,264.93
251	7/1/2040	19,321.92
252	8/1/2040	19,379.08
253	9/1/2040	19,436.41
254	10/1/2040	19,493.91
255	11/1/2040	19,551.58
256	12/1/2040	19,609.42
257	1/1/2041	19,667.43
258	2/1/2041	19,725.61
259	3/1/2041	19,783.97
260	4/1/2041	19,842.50
261	5/1/2041	19,901.20
262	6/1/2041	19,960.07
263	7/1/2041	20,019.12
264	8/1/2041	20,078.34
265	9/1/2041	20,137.74
266	10/1/2041	20,197.32
267	11/1/2041	20,257.07
268	12/1/2041	20,316.99
269	1/1/2042	20,377.10
270	2/1/2042	20,437.38
271	3/1/2042	20,497.84
272	4/1/2042	20,558.48
273	5/1/2042	20,619.30
274	6/1/2042	20,680.30
275	7/1/2042	20,741.48
276	8/1/2042	20,802.84
277	9/1/2042	20,864.38
278	10/1/2042	20,926.10
279	11/1/2042	20,988.01
280	12/1/2042	21,050.10
281	1/1/2043	21,112.37
282	2/1/2043	21,174.83
283	3/1/2043	21,237.47
284	4/1/2043	21,300.30
285	5/1/2043	21,363.31
286	6/1/2043	21,426.51
287	7/1/2043	21,489.90
288	8/1/2043	21,553.47
289	9/1/2043	21,617.23
290	10/1/2043	21,681.19
291	11/1/2043	21,745.33
292	12/1/2043	21,809.66

SP

No.	Payment Date	Principal
293	1/1/2044	21,874.18
294	2/1/2044	21,938.89
295	3/1/2044	22,003.79
296	4/1/2044	22,068.88
297	5/1/2044	22,134.17
298	6/1/2044	22,199.65
299	7/1/2044	22,265.33
300	8/1/2044	22,331.19

SPECIMEN

CLOSING ITEM NO.: A-4

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OTSEGO COUNTY  
CAPITAL RESOURCE CORPORATION

AND

SPRINGBROOK NY, INC.

---

SERIES 2017 AMENDMENT TO  
LOAN AGREEMENT

WITH CONSENT THERETO BY

MANUFACTURER AND TRADERS TRUST COMPANY, AS TRUSTEE

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DATED AS OF MARCH 1, 2017

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CERTAIN RIGHTS OF OTSEGO COUNTY CAPITAL RESOURCE CORPORATION (THE "ISSUER") UNDER THE LOAN AGREEMENT, AS AMENDED HEREBY, AND CERTAIN MONEYS DUE AND TO BECOME DUE TO THE ISSUER THEREUNDER, HAVE BEEN ASSIGNED TO MANUFACTURER AND TRADERS TRUST COMPANY, AS TRUSTEE PURSUANT TO A PLEDGE AND ASSIGNMENT DATED AS OF SEPTEMBER 1, 2010 (AMENDED AS OF MARCH 1, 2017) FROM THE ISSUER TO THE TRUSTEE.

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## SERIES 2017 AMENDMENT TO LOAN AGREEMENT

THIS SERIES 2017 AMENDMENT TO LOAN AGREEMENT dated as of March 1, 2017 is by and between OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation organized and existing under Section 1411 of the New York State Not-For-Profit Corporation Law having an office for the transaction of business located at 189 Main Street, Oneonta, New York (the "Issuer") and SPRINGBROOK NY, INC., a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 2705 State Highway #28, Oneonta, New York (the "Institution").

### WITNESSETH:

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of Otsego County Capital Resource Corporation (the "Issuer") under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the Board of Representatives of the County; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer pursuant to the Enabling Act as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, on September 24, 2010, the Institution entered into a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the "Bank") and the Institution, pursuant to which the Bank purchased the Issuer's Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the aggregate principal amount of \$25,200,000 (the "Initial Bonds") for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following: (A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the "Initial Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the "Addition"), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the "New Facility") (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the "Initial Facility"), (5) the acquisition and installation of various machinery and equipment therein and thereon (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility"), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects,



of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Institution pursuant to the terms of a loan agreement dated as of September 1, 2010 (the "Initial Loan Agreement"); and

WHEREAS, the Initial Bonds were issued on September 24, 2010 under a resolution adopted by the directors of the Issuer on September 2, 2010 (the "Initial Bond Resolution") and a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and the Trustee for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture, including the hereinafter defined Series 2012A Bonds and the Series 2017 Bonds (the "Additional Bonds," and collectively with the Initial Bonds, the "Bonds"); and

WHEREAS, simultaneously with the issuance of the Initial Bonds, the Institution, the Bank, Upstate Home for Children Foundation, Inc. (the "Guarantor") and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the "Initial Financing Documents"); and

WHEREAS, as security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Institution under the Initial Loan Agreement are to be paid directly to the Trustee (other than during the Bank Purchase Rate Period); and

WHEREAS, as additional security for the Institution's obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Institution executed and delivered to the Bank and the Issuer a mortgage dated as of September 1, 2010 (the "Mortgage") from the Institution to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility, and the Issuer has assigned its interest in the Mortgage to the Bank, and as security for the Initial Bond Purchase Agreement, a security agreement dated as of September 1, 2010 (the "Security Agreement") from the Institution to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment; and

WHEREAS, on July 25, 2012, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal amount of \$2,500,000 (the "Series 2012A Bonds") under a resolution adopted by the directors of the Issuer on March 22, 2012 (the "Series 2012A Bond Resolution") and a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee and pursuant to the terms of a supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 (the "Supplement," and together with the Initial Bond Purchase Agreement, being collectively referred to as the "2012A Bond Purchase Agreement") by and between the Bank and the Institution; and

WHEREAS, the Series 2012A Bonds were issued for the purpose of financing a portion of the costs of undertaking a project (the "Series 2012A Project") consisting of the following: (A) the acquisition of a 13.9 +/- acre parcel of land located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New

York (the "Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Facility" and together with the Land, being collectively referred to as the "Series 2012A Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2012A Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2012A Bonds, including issuance costs of the Series 2012A Bonds and any reserve funds as may be necessary to secure Series 2012A Bonds; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Series 2012A Bonds by the Issuer to the Institution; and

WHEREAS, in connection with the issuance of the Series 2012A Bonds, the Issuer executed and delivered (A) an amendment to the loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") by and between the Issuer and the Institution, with the consent of the Trustee, and (B) an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment") from the Issuer to the Trustee; and

WHEREAS, as security for the for the Institution's obligations under the Initial Bond Purchase Agreement and the 2012A Bond Purchase Agreement, the Institution executed and delivered an Amended and Restated Security Agreement dated as of July 1, 2012 (the "Amended and Restated Security Agreement") from the Institution to the Bank; and

WHEREAS, in March, 2016, the Institution presented an additional application (the "Initial Series 2017 Application") to the Issuer, which Initial Series 2017 Application requested that the Issuer consider undertaking a project (the "Initial Series 2017 Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Institution's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Initial Series 2017 Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the hereinafter defined Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"), (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Initial Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Initial Series 2017 Facility") and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Initial Series 2017 Equipment") (the Initial Series 2017 Land, the Initial Series 2017 Facility, the Initial Improvements, and the Initial Series 2017 Equipment being collectively referred to as the "Initial Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer

in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Series 2017 Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Initial Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Initial Series 2017 Obligations, including issuance costs of the Initial Series 2017 Obligations and any reserve funds as may be necessary to secure the Initial Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Initial Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in the resolution adopted by the directors of the Issuer on March 3, 2016 (the “Series 2017 Public Hearing Resolution”), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the “Series 2017 Public Hearing”) in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Series 2017 Project and the financial assistance being contemplated by the Issuer with respect to the Initial Series 2017 Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Series 2017 Project Facility is to be located, (B) caused notice of the Series 2017A Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Series 2017 Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of the Town of Oneonta, Otsego County, New York, (D) conducted the Series 2017 Public Hearing on May 10, 2016 at 4:00 o’clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Series 2017 Public Hearing (the “Series 2017 Report”) which fairly summarized the views presented at the Series 2017 Public Hearing and distributed same to the directors of the Issuer and to the Board of Representatives of Otsego County, New York (the “Board of Representatives”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the directors of the Issuer on July 28, 2016 (the “SEQR Resolution”), the Agency (1) determined that the Initial Series 2017 Project constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project; and

WHEREAS, by resolution dated June 1, 2016 (the “Series 2017 Public Approval”), the Board of Representatives approved the issuance of the Series 2017 Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, by resolution dated February 23, 2017, the Issuer approved the final form of the Initial Series 2017 Project description in an amended application (collectively with the Initial Series 2017 Application, the “Series 2017 Application”) consisting of the following (the “Series 2017 Project”): (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at

the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Series 2017 Obligations, including issuance costs of the Series 2017 Obligations and any reserve funds as may be necessary to secure the Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, the Issuer will now issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) for the purpose of financing a portion of the costs of the Series 2017 Project, which Series 2017 Bonds are to be issued under a resolution adopted by the directors of the Issuer on July 28, 2016 (the “Series 2017 Bond Resolution”) and a supplemental trust indenture dated as of March 1, 2017 (the “Series 2017 Supplemental Indenture,” and collectively with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, the “Indenture”) by and between the Issuer and the Trustee; and

WHEREAS, the Series 2017 Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2017 Bonds as initially issued will be the Bank Purchase Rate as determined by the Bank, as the administrative agent (the “Agent”) for the initial purchaser of the Series 2017 Bonds pursuant to the terms of the Indenture and a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and among the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and the Agent; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2017 Bonds, the Issuer will execute and deliver an amendment to the loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and collectively with the Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, the “Loan Agreement”) by and between the Issuer and the Institution, with the consent of the Trustee, and certain other documents related to the Series 2017 Project and to the Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Series 2017 Financing Documents”); and

WHEREAS, pursuant to the terms of the Loan Agreement, (A) the Institution will agree, among other things, (1) to cause the Series 2017 Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2017 Bonds to the Institution; and

WHEREAS, as security for the Series 2017 Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment," and collectively with the Initial Pledge and Assignment, as amended by the Series 2012A Amendment to Pledge and Assignment, the "Pledge and Assignment") from the Issuer to the Trustee; and

WHEREAS, as additional security for the Institution's obligations under the Continuing Covenants Agreement and the Loan Agreement, the Institution will execute and deliver to the Agent and the Issuer a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the "Series 2017 Mortgage") by and among the Issuer, the Institution and the Agent, which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the "Series 2017 Mortgage Assignment"); and

WHEREAS, as additional security for the Institution's obligations under the Continuing Covenants Agreement, the Institution will execute and deliver to the Agent a certain security agreement, dated as of March 1, 2017 (the "Series 2017 Security Agreement") by and between the Institution and the Agent, which grants to the Agent a security interest in, among other things, certain personal property of the Institution; and

WHEREAS, the Institution's obligation (A)(1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Continuing Covenants Agreement, and (B) the Issuer's obligation to repay the Series 2017 Bonds will be further secured by a certain guaranty dated as of March 1, 2017 (the "Series 2017 Guaranty of Foundation") from the Guarantor to the Holder; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the "Series 2017 Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the "Series 2017 Information Return") pursuant to Section 149(e) of the Code, and (3) file the Series 2017 Information Return with the Internal Revenue Service, (B) the Institution will execute a tax regulatory agreement dated the date of delivery of the Series 2017 Bonds (the "Series 2017 Tax Regulatory Agreement") relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Bank will execute a letter (the "Issue Price Letter") confirming the issue price of the Series 2017 Bonds for purposes of Section 148 of the Code; and

WHEREAS, the financing of the Series 2017 Project Facility through the making of the loan pursuant to this Series 2017 Amendment to Loan Agreement is for a proper purpose, to wit, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest pursuant to the provisions of the Enabling Act; and

WHEREAS, all things necessary to constitute this Series 2017 Amendment to Loan Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Series 2017 Amendment to Loan Agreement have in all respects been duly authorized by the Issuer and the Institution;

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. Except as otherwise provided herein, all words and terms used herein shall have the respective meanings ascribed thereto in Article I of the Initial Loan Agreement. As used herein:

“Agent” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Arbitrage Certificate” means (A), with respect to the Initial Bonds, the Initial Arbitrage Certificate, (B), with respect to the Series 2012A Bonds, the Series 2012A Arbitrage Certificate, (C), with respect to the Series 2017 Bonds, the Series 2017 Arbitrage Certificate, and (D), with respect to any Series of Additional Bonds, any similar documents or certificates executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to such Series of Additional Bonds.

“Bank Documents” means, collectively, the Letter of Credit, the Bond Purchase Agreement, the Building Loan Agreement, the Initial Bank Guaranty, the Guaranty of Foundation, the Series 2012A Mortgage, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, and the Mortgage and any other document now or hereafter executed by the Issuer, the Institution or any Guarantor in favor of the Bank which affects the rights of the Bank in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under any Bank Document.

“Bank Hold Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Bank Purchase Rate” means, (A) with respect to the Initial Bonds, a variable rate of interest equal to 68% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 3.25%, (B) with respect to the Series 2012A Bonds, a variable rate of interest equal to 73% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.20%, and (C) with respect to the Series 2017 Bonds, a variable rate of interest equal to 65% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.50%.

“Bank Purchase Rate Mode” means a Rate Period with respect to the Bonds in which the Bonds bear interest at the Bank Purchase Rate, commencing on the date they are purchased by the Bank and ending on a date when the Bonds are prepaid, subject to mandatory tender for purchase in connection with conversion to a new Interest Rate Mode or tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**.

“Bank Purchase Rate Period” means, with respect to a particular Series of the Bonds, that period during which such Series of the Bonds shall bear interest at a Bank Purchase Rate, beginning on, and including, the date on which such Series of the Bonds commences bearing interest at the Bank Purchase Rate and ending on the earliest of (A) the Conversion Date on which such Series of the Bonds commences

bearing interest in another Interest Rate Mode, (B) the date when all of the Bonds of such Series are prepaid, (C) the date on which all of the Bonds of such Series are tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**, or (D) the maturity of the Bonds of such Series.

“Bond Purchase Agreement” means, (A) with respect to the Initial Bonds, the Initial Bond Purchase Agreement (B) with respect to the Series 2012A Bonds, the 2012A Bond Purchase Agreement, (C) with respect to the Series 2017 Bonds, the Continuing Covenants Agreement, and (D) with respect to any Series of Additional Bonds, any similar documents executed by the Institution and relating to the purchase of such Series of Additional Bonds.

“Bond Resolution” means (A) with respect to the Initial Bonds, the Initial Bond Resolution, (B) with respect to the Series 2012A Bonds, the Series 2012A Bond Resolution, (C) with respect to the Series 2017 Bonds, the Series 2017 Bond Resolution, and (D) with respect to a Series of Additional Bonds, the resolution adopted by the directors of the Issuer authorizing the Issuer execute and deliver the supplemental indenture relating to such Series of Additional Bonds, to issue and sell such Series of Additional Bonds and to execute and deliver the related amendments and supplements to the Financing Documents to which the Issuer is a party.

“Closing Date” means March 27, 2017, the date on which the Series 2017 Bonds are authenticated and delivered and the Continuing Covenants Agreement is executed and delivered by the parties thereto.

“Continuing Covenants Agreement” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture

“Financing Documents” means, collectively, the Initial Financing Documents, the Series 2012A Financing Documents, and the Series 2017 Financing Documents.

“Guarantor” means the Upstate Home for Children Foundation, Inc.

“Guaranty of Foundation” means, (A) with respect to the Initial Bonds and the Series 2012A Bonds, the amended and restated guaranty dated as of July 1, 2012 from the Guarantor to the Bank, (B) with respect to the Series 2017 Bonds, the Series 2017 Guaranty of Foundation as defined in the twenty-fifth recital clause to the Series 2017 Supplemental Indenture, and (C) with respect to any Series of Additional Bonds, any similar documents executed by the Guarantor and relating to such Series of Additional Bonds.

“Holder” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Indenture” means the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture and the Series 2017 Supplemental Indenture, as said indenture may be further amended or supplemented from time to time.

“Initial Advance” means the first advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Initial Bond Purchase Agreement” shall have the meaning set forth in the fourth recital clause to the Series 2017 Supplemental Indenture.

“Initial Financing Documents” means, with respect to the Initial Bonds, the following documents related thereto: the Initial Bonds, the Initial Indenture, the Initial Loan Agreement, the Pledge and Assignment, the Initial Guaranty, the Initial Tax Documents, the Bank Documents, the Initial Remarketing Agreement and any other document now or hereafter executed by the Issuer, the Institution, any Guarantor or the Bank in favor of the Bondholders, the Trustee or the Bank which affects the rights of the Bondholders, the Trustee or the Bank in or to the Initial Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Initial Request for Advance” means the first request for advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Interest Payment Date” means, (A) with respect to any Series of Additional Bonds, the Interest Payment Dates on said Series of Additional Bonds, as established pursuant to the supplemental Indenture authorizing issuance of said Series of Additional Bonds, (B) with respect to a Series of the Initial Bonds or Series 2012A Bonds, the Interest Payment Date as defined in the Series 2012A Supplemental Indenture; and (C) with respect to a Series of the Series 2017 Bonds, (1) while such Series 2017 Bonds bears interest at a Weekly Rate, the first Thursday of each month, (2) while such Series 2017 Bonds bears interest at a Semi-Annual Rate or a Long-Term Rate, January 1 and July 1 of each year, (3) while such Series 2017 Bonds bears interest at a Bank Hold Rate, the dates established pursuant to Sections 2(E) of the Series 2017 Supplemental Indenture and (4) while such Series 2017 Bonds bears interest at the Bank Purchase Rate, the first calendar day of each month. The first Interest Payment Date relating to the Series 2017 Bonds shall be the Interest Payment Date on May 1, 2017. The final Interest Payment Date relating to Series 2017 Bonds shall be the Maturity Date of the Series 2017 Bonds.

“Interest Rate Agreement” means, with respect to the Initial Bonds, a certain interest rate exchange agreement dated September 24, 2010 by and between the Institution and the Bank, and, with respect to the Series 2012A Bonds, a certain interest rate exchange agreement dated [July \_\_, 2012] by and between the Institution and the Bank, [and, with respect to the Series 2017A Bonds and Series 2017B Bonds, a certain interest rate exchange agreement dated March \_\_, 2017 that will be entered into by and between the Institution and the Bank, either simultaneously herewith or within 3 days after the date hereof.]

“Loan Agreement” means the Initial Loan Agreement, as amended and supplemented by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement, as said loan agreement may be further amended or supplemented from time to time.

“Long-Term Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Long-Term Tax-Exempt Rate Period” means, (A) with respect to the Initial Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Initial Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 209(D) of the Initial Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day



preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Initial Bonds, (B) with respect to the Series 2012A Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2012A Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2012A Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2012A Bonds, and (C) with respect to the Series 2017 Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2017 Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2017 Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2017 Bonds.

“Mandatory Tender” means the mandatory tender of the Bonds by the Owner thereof (A) (1) upon a Conversion pursuant to Section 209 of the Initial Indenture (with respect to the Initial Bonds), (2) upon a Conversion pursuant to Section 2 of the Series 2012A Supplemental Indenture (with respect to the Series 2012A Bonds), and (3) upon a Conversion pursuant to Section 2 of the Series 2017 Supplemental Indenture (with respect to the Series 2017 Bonds); (B) upon the delivery by the Institution of an Alternate Credit Facility pursuant to Section 304 of the Initial Indenture; or (C) as otherwise provided under Section 304(B) of the Initial Indenture.

“Mortgaged Property” means, (A) with respect to the Initial Bonds, all Property which may from time to time be subject to the Lien of the Mortgage, (B) with respect to the Series 2012A Bonds, all Property which may from time to time be subject to the Lien of the Series 2012A Mortgage, and, (C) with respect to the Series 2017 Bonds, all Property which may from time to time be subject to the Lien of the Series 2017 Mortgage.

“Pledge and Assignment” means the Initial Pledge and Assignment, as amended and supplemented by the Series 2012A Amendment to Pledge and Assignment and the Series 2017 Amendment to Pledge and Assignment, as said loan agreement may be further amended or supplemented from time to time.

“Project” means, collectively, the Initial Project, the Series 2012A Project, and the Series 2017 Project.

“Project Facility” means, collectively, the Initial Project Facility, the Series 2012A Project Facility, and the Series 2017 Project Facility.

“Semi-Annual Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Series 2017 Amendment to Loan Agreement” means the amendment to loan agreement dated as of March 1, 2017 by and between the Issuer and the Institution and consented to by the Trustee, as said amendment to loan agreement may be amended or supplemented from time to time.

“Series 2017 Amendment to Pledge and Assignment” means the amendment to pledge and assignment dated as of March 1, 2017 from the Issuer to the Trustee, as said amendment to pledge and assignment may be amended or supplemented from time to time.

“Series 2017 Arbitrage Certificate” means the certificate dated the Series 2017 Closing Date executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to the Series 2017 Bonds.

“Series 2017 Bonds” means collectively, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds.

“Series 2017A Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017B Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017C Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017 Bond Resolution” means the resolution adopted by the directors of the Issuer on July 28, 2016 authorizing and approving the issuance of the Series 2017 Bonds and the execution and delivery of the Series 2017 Financing Documents.

“Series 2017 Closing Date” means the date on which authenticated Series 2017 Bonds are delivered to or upon the order of the Bank and payment is received therefor by the Trustee on behalf of the Issuer.

“Series 2017 Financing Documents” means the Series 2017 Bonds, the Series 2017 Supplemental Indenture, the Series 2017 Amendment to Loan Agreement, the Series 2017 Tax Documents, the Continuing Covenants Agreement and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holders of the Series 2017 Bonds or the Trustee which affects the rights of the Holders of the Series 2017 Bonds or the Trustee in or to the Series 2017 Project Facility, in whole or in part, or which secures or guarantees any sum due under the Series 2017 Bonds or any other Series 2017 Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Series 2017 Mortgage” means the mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 from the Institution to the Issuer and the Bank, which is intended to grant to the Issuer and the Bank a first priority mortgage lien on and security interest in the Mortgaged Property as additional security for the obligations of the Institution under the Loan Agreement and under the Supplement, as said mortgage may be amended or supplemented from time to time.

“Series 2017 Project” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Project Facility” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Supplemental Indenture” means the supplemental indenture dated as of March 1, 2017 by and between the Issuer and the Trustee with consent thereto by the Institution, which Series 2017 Supplemental Indenture amends and supplements the Initial Indenture to permit the issuance of the Series 2017 Bonds.

“Series 2017 Tax Documents” means, collectively, the Series 2017 Arbitrage Certificate and the Series 2017 Tax Regulatory Agreement.

“Series 2017 Tax Regulatory Agreement” means the tax regulatory agreement dated the Series 2017 Closing Date and executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2017 Bonds to remain excludable from gross income for federal income tax purposes.

“2012A Bond Purchase Agreement” means the supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 together with the Initial Bond Purchase Agreement.

“Supplemental Bonds” means the Series 2017 Bonds.

“Tax Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Tax Documents, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Documents, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Documents, and (D), with respect to any Series of Additional Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Series of Additional Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Initial Bonds, the Initial Tax Regulatory Agreement, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Regulatory Agreement, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Regulatory Agreement, and (D), with respect to any Series of Additional Bonds issued as Tax-Exempt Bonds, any similar document executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on such Series of Additional Bonds to remain excludable from gross income for federal income tax purposes.

“Weekly Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is a variable rate that is determined in accordance with Section 209(C)(3) of the Initial Indenture; (B) with respect to the Series 2012A Bonds, the Interest Rate Mode in which the interest rate on the Series 2012A Bonds is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture; and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode in which the interest rate on the Series 2017 Bonds

is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“30-Day LIBOR” means with respect to the Bonds, relative to any LIBOR Interest Period, the offered rate for deposits of U.S. Dollars for a term coextensive with the designated LIBOR Interest Period which the ICE Benchmark Administration (or any successor administrator of LIBOR rates) fixes as its LIBOR rate as of 11:00 a.m. London Time on the day which is two London Banking Days prior to the beginning of such LIBOR Interest Period. If such day is not a London Banking Day, the 30-day LIBOR shall be determined on the next preceding day which is a London Banking Day. If for any reason the Agent cannot determine such offered rate fixed by the then current administrator of LIBOR rates, the Agent may, in its sole but reasonable discretion and upon notice to the Company, use an alternative method to select a rate calculated by the Agent to reflect its cost of funds.

SECTION 2. ADDITIONAL REPRESENTATIONS BY ISSUER. (A) Except as modified by the Series 2017 Financing Documents, the Issuer confirms, as of the date hereof, the representations set forth in Section 2.1 of the Initial Loan Agreement as amended by Section 2 of the Series 2012A Amendment to Loan Agreement.

(B) The Issuer further represents that (1) the Issuer has the power under the Act to enter into the transactions contemplated by the Series 2017 Financing Documents to be executed by the Issuer, (2) the Issuer has not received notice that it is in default under the Initial Financing Documents, and (3) the Issuer has duly authorized the execution, delivery and performance of the Series 2017 Financing Documents to be executed by the Issuer.

SECTION 3. ADDITIONAL REPRESENTATIONS BY INSTITUTION. (A) The Institution confirms, as of the date hereof, the representations set forth in Section 2.2 of the Initial Loan Agreement as amended by Section 3 of the Series 2012A Amendment to Loan Agreement.

(B) The Institution further represents that (1) the Institution has the legal authority to enter into the transactions contemplated by the Series 2017 Financing Documents to be executed by the Institution, (2) the Institution is not in default under the Initial Financing Documents, and (3) the Institution has authorized the execution, delivery and performance of the Series 2017 Financing Documents to be executed by the Institution.

(C) The Institution further represents that neither the execution and delivery of the Series 2017 Financing Documents to be executed by the Institution, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the provisions of the Series 2017 Financing Documents to be executed by the Institution requires the approval of any governmental authority or will conflict with or result in a breach of any of the terms, conditions or provisions of or any restriction or any agreement or instrument to which the Institution is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature whatsoever upon any of the properties of the Institution under the terms of any such instrument or agreement.

(D) The Institution hereby approves the terms, manner of issuance, purchase price, and disposition of the proceeds of the sale of the Series 2017 Bonds.

(E) All of the proceeds of the Series 2017 Bonds shall be used to pay the costs of the Series 2017 Project, and the total cost of the Series 2017 Project is expected to at least equal \$10,500,000.

SECTION 4. AGREEMENT TO ISSUE SERIES 2017 BONDS; DISBURSEMENT OF PROCEEDS OF THE SERIES 2017 BONDS. The Issuer agrees that it will issue and sell and cause to be delivered to the Holder the Series 2017 Bonds, and will cause the net proceeds from the sale of the Series 2017 Bonds to be deposited with the Trustee pursuant to the terms of the Indenture. The Issuer has, pursuant to the Indenture and the Loan Agreement, directed the Trustee or the Holder on the Issuer's behalf, and hereby directs the Trustee or the Holder on the Issuer's behalf, to disburse the proceeds of the Series 2017 Bonds on deposit in the Project Fund to pay Costs of the Series 2017 Project relating to the Series 2017 Project in accordance with the provisions of the Financing Documents.

SECTION 5. AMENDMENTS TO INITIAL LOAN AGREEMENT. The Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, is hereby amended as follows:

Article I of the Initial Loan Agreement is hereby amended so that the following words and terms shall have the respective meanings ascribed thereto in Section 1 of this Series 2017 Amendment to Loan Agreement: "Arbitrage Certificate," "Bond Purchase Agreement," "Bond Resolution," "Financing Documents," "Indenture," "Loan Agreement," "Pledge and Assignment," "Project," "Project Facility," "Reserve Fund Requirement," "Series 2017 Amendment to Loan Agreement," "Series 2017 Amendment to Pledge and Assignment," "Series 2017 Arbitrage Certificate," "Series 2017 Bonds," "Series 2017A Bonds," "Series 2017B Bonds," "Series 2017C Bonds," "Series 2017 Building Loan Agreement," "Continuing Covenants Agreement," "Series 2017 Bond Resolution," "Series 2017 Closing Date," "Series 2017 Financing Documents," "Series 2017 Mortgage," "Series 2017 Mortgage Assignment," "Series 2017 Project," "Series 2017 Project Facility," "Series 2017 Supplemental Indenture," "Series 2017 Tax Documents," "Series 2017 Tax Regulatory Agreement," "Supplemental Bonds," "Tax Documents," and "Tax Regulatory Agreement."

SECTION 6. PROVISIONS OF SERIES 2017 AMENDMENT TO LOAN AGREEMENT CONSTRUED WITH INITIAL LOAN AGREEMENT. All of the covenants, agreements and provisions of this Series 2017 Amendment to Loan Agreement shall be deemed to be and construed as part of the Initial Loan Agreement and vice versa to the same extent as if fully set forth verbatim therein and herein. In the event of any variation or inconsistency between any covenant, agreement or provision contained in this Series 2017 Amendment to Loan Agreement and any covenant, agreement or provision contained in the Initial Loan Agreement, the covenant, agreement or provision contained herein shall govern.

SECTION 7. INITIAL LOAN AGREEMENT AS AMENDED TO REMAIN IN EFFECT. Except as amended by the Series 2012A Amendment to Loan Agreement and this Series 2017 Amendment to Loan Agreement, the Initial Loan Agreement shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.


SECTION 8. ISSUER ADMINISTRATIVE FEE. (A) On the Closing Date, the Institution shall pay to the Issuer, as the initial basic Loan Payment due hereunder, (1) a single lump sum basic Loan Payment in an amount equal to \$105,000, representing the Issuer's administration fee for the issuance of the Series 2017 Bonds; plus (2) an additional lump sum basic Loan Payment in an amount equal to the fees and expenses of general counsel and Bond Counsel to the Issuer relating to the Project.

(B) On each January 1, and commencing on January 1, 2018, during the term of the Series 2017 Bonds, the Institution shall pay to the Issuer an annual fee in an amount equal to \$3,675.00 (.00035 x \$10,500,000), representing the Issuer's annual administrative fee for the issuance of the Series 2017 Bonds.

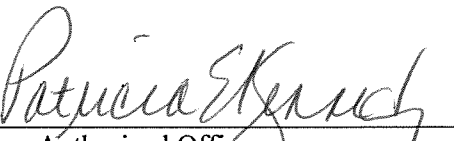
SECTION 9. EXECUTION OF COUNTERPARTS. This Series 2017 Amendment to Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Series 2017 Amendment to Loan Agreement to be duly executed in their respective names by their respective Authorized Representatives, all as of the day and date first above written.

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

BY:   
(Vice) Chairman

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

CONSENT OF THE TRUSTEE

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, hereby consents to the execution and delivery by the Issuer and the Institution of the Series 2017 Amendment to Loan Agreement.

IN WITNESS WHEREOF, the undersigned Trustee has caused this consent to be executed by one of its Assistant Vice Presidents or corporate trust officers, all as of the day and year first above written.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee

BY: \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the parties have caused this Series 2017 Amendment to Loan Agreement to be duly executed in their respective names by their respective Authorized Representatives, all as of the day and date first above written.

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

BY: \_\_\_\_\_  
(Vice) Chairman

SPRINGBROOK NY, INC.

BY: \_\_\_\_\_  
Authorized Officer

CONSENT OF THE TRUSTEE

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, hereby consents to the execution and delivery by the Issuer and the Institution of the Series 2017 Amendment to Loan Agreement.

IN WITNESS WHEREOF, the undersigned Trustee has caused this consent to be executed by one of its Assistant Vice Presidents or corporate trust officers, all as of the day and year first above written.

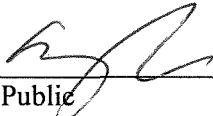
MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee

BY: Harveen A. Duld  
Authorized Officer



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

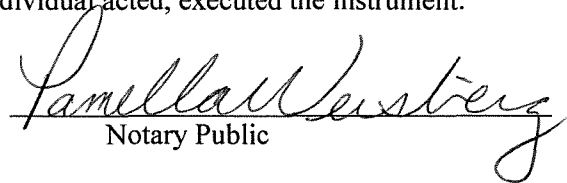
On the 23<sup>rd</sup> day of February, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared DEVIN MORGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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

**A. Joseph Scott III**  
Notary Public, State of New York  
Qualified in Albany County  
No. 02SC4811591  
Commission Expires December 31, 2018

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

On the 24<sup>th</sup> day of March, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared PATRICIA E. KENNEDY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

CLOSING ITEM NO.: A-5

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OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

AND

MANUFACTURERS AND TRADERS TRUST COMPANY,  
AS TRUSTEE

WITH

ACKNOWLEDGMENT

THEREOF BY

SPRINGBROOK NY, INC. PROJECT

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SERIES 2017 AMENDMENT TO PLEDGE AND ASSIGNMENT

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DATED AS OF MARCH 1, 2017

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(This Table of Contents is for convenience of reference only and is not part of the Series 2017 Amendment to Pledge and Assignment)

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## SERIES 2017 AMENDMENT TO PLEDGE AND ASSIGNMENT

THIS SERIES 2017 AMENDMENT TO PLEDGE AND ASSIGNMENT dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment") by and among OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, a not-for-profit corporation organized and existing under Section 1411 of the New York State Not-For-Profit Corporation Law having an office for the transaction of business located at 189 Main Street, Oneonta, New York (the "Issuer") and SPRINGBROOK NY, INC., a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 2705 State Highway #28, Oneonta, New York (the "Institution") and MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation organized and existing under the laws of the New York having an office for the transaction of business located at One M&T Plaza, 7th Floor, Buffalo, New York, as trustee (the "Trustee") for the holders of (1) the Issuer's Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the original aggregate principal amount of \$25,200,000 (the "Initial Bonds"), (2) the Issuer's Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal amount of \$2,500,000 (the "Series 2012A Bonds"), (3) the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds") and (4) any additional bonds (the "Additional Bonds", and collectively with the Initial Bonds, the Series 2012A Bonds and the Series 2017 Bonds, the "Bonds") issued by the Issuer pursuant to a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and the Trustee, as supplemented by a supplemental indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") and a supplemental indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture" and collectively with the Initial Indenture and the Series 2012A Supplemental Indenture, the "Indenture"), each by and between the Issuer and the Trustee;

### WITNESSETH:

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of Otsego County Capital Resource Corporation (the "Issuer") under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the Board of Representatives of the County; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer pursuant to the Enabling Act as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, on September 24, 2010, the Institution entered into a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between

Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the “Bank”) and the Institution, pursuant to which the Bank purchased the Issuer’s Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the aggregate principal amount of \$25,200,000 (the “Initial Bonds”) for the purpose of financing a portion of the costs of a project (the “Initial Project”) consisting of the following: (A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the “Initial Land”), together with the existing building located thereon containing approximately 55,000 square feet of space (the “Existing Facility”), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the “Addition”), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the “New Facility”) (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the “Initial Facility”), (5) the acquisition and installation of various machinery and equipment therein and thereon (the “Initial Equipment”) (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Institution pursuant to the terms of a loan agreement dated as of September 1, 2010 (the “Initial Loan Agreement”); and

WHEREAS, the Initial Bonds were issued on September 24, 2010 under a resolution adopted by the directors of the Issuer on September 2, 2010 (the “Initial Bond Resolution”) and a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and the Trustee for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture, including the hereinafter defined Series 2012A Bonds and the Series 2017 Bonds (the “Additional Bonds,” and collectively with the Initial Bonds, the “Bonds”); and

WHEREAS, simultaneously with the issuance of the Initial Bonds, the Institution, the Bank, Upstate Home for Children Foundation, Inc. (the “Guarantor”) and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the “Initial Financing Documents”); and

WHEREAS, as security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the “Initial Pledge and Assignment”) from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer’s rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Institution under the Initial Loan Agreement are to be paid directly to the Trustee (other than during the Bank Purchase Rate Period); and

WHEREAS, as additional security for the Institution’s obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Institution executed and delivered to the Bank and the Issuer a mortgage dated as of September 1, 2010 (the “Mortgage”) from the Institution to the Issuer and the Bank,

which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility, and the Issuer has assigned its interest in the Mortgage to the Bank, and as security for the Initial Bond Purchase Agreement, a security agreement dated as of September 1, 2010 (the "Security Agreement") from the Institution to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment; and

WHEREAS, on July 25, 2012, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal amount of \$2,500,000 (the "Series 2012A Bonds") under a resolution adopted by the directors of the Issuer on March 22, 2012 (the "Series 2012A Bond Resolution") and a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee and pursuant to the terms of a supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 (the "Supplement," and together with the Initial Bond Purchase Agreement, being collectively referred to as the "2012A Bond Purchase Agreement") by and between the Bank and the Institution; and

WHEREAS, the Series 2012A Bonds were issued for the purpose of financing a portion of the costs of undertaking a project (the "Series 2012A Project") consisting of the following: (A) the acquisition of a 13.9 +/- acre parcel of land located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York (the "Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Facility" and together with the Land, being collectively referred to as the "Series 2012A Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2012A Bonds; (C) paying a portion of the costs incidental to the issuance of the Series 2012A Bonds, including issuance costs of the Series 2012A Bonds and any reserve funds as may be necessary to secure Series 2012A Bonds; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Series 2012A Bonds by the Issuer to the Institution; and

WHEREAS, in connection with the issuance of the Series 2012A Bonds, the Issuer executed and delivered (A) an amendment to the loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") by and between the Issuer and the Institution, with the consent of the Trustee, and (B) an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment") from the Issuer to the Trustee; and

WHEREAS, as security for the for the Institution's obligations under the Initial Bond Purchase Agreement and the 2012A Bond Purchase Agreement, the Institution executed and delivered an Amended and Restated Security Agreement dated as of July 1, 2012 (the "Amended and Restated Security Agreement") from the Institution to the Bank; and

WHEREAS, in March, 2016, the Institution presented an additional application (the "Initial Series 2017 Application") to the Issuer, which Initial Series 2017 Application requested that the Issuer consider undertaking a project (the "Initial Series 2017 Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus

Existing Facility” and sometimes with the Main Campus New Facility, referred to as the “Main Campus Facility”) and (2) with respect to the Institution’s campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the “Oneonta Land”) (the Main Campus Land and the Oneonta Land being sometimes referred to as the “Initial Series 2017 Land”) - (a) the construction of an approximately 5,600 square foot building (the “Oneonta New Facility”), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the hereinafter defined Oneonta Existing Facility (collectively, the “Oneonta Addition,” and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the “Oneonta Facility”), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the “Oneonta Existing Facility”), (3) the expansion and the making of improvements to the network infrastructure (collectively, the “Initial Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Initial Series 2017 Facility”) and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Initial Series 2017 Equipment”) (the Initial Series 2017 Land, the Initial Series 2017 Facility, the Initial Improvements, and the Initial Series 2017 Equipment being collectively referred to as the “Initial Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Series 2017 Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Initial Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Initial Series 2017 Obligations, including issuance costs of the Initial Series 2017 Obligations and any reserve funds as may be necessary to secure the Initial Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Initial Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in the resolution adopted by the directors of the Issuer on March 3, 2016 (the “Series 2017 Public Hearing Resolution”), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the “Series 2017 Public Hearing”) in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Series 2017 Project and the financial assistance being contemplated by the Issuer with respect to the Initial Series 2017 Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Series 2017 Project Facility is to be located, (B) caused notice of the Series 2017A Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Series 2017 Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of the Town of Oneonta, Otsego County, New York, (D) conducted the Series 2017 Public Hearing on May 10, 2016 at 4:00 o’clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Series 2017 Public Hearing (the “Series 2017 Report”) which fairly summarized the views presented at the Series 2017 Public Hearing and distributed same to the directors of the Issuer and to the Board of Representatives of Otsego County, New York (the “Board of Representatives”); and



WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the directors of the Issuer on July 28, 2016 (the “SEQR Resolution”), the Agency (1) determined that the Initial Series 2017 Project constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project; and

WHEREAS, by resolution dated June 1, 2016 (the “Series 2017 Public Approval”), the Board of Representatives approved the issuance of the Series 2017 Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, by resolution dated February 23, 2017, the Issuer approved the final form of the Initial Series 2017 Project description in an amended application (collectively with the Initial Series 2017 Application, the “Series 2017 Application”) consisting of the following (the “Series 2017 Project”): (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Series 2017 Obligations, including issuance costs of the Series 2017 Obligations and any reserve funds as may be necessary to secure the Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, the Issuer will now issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) for the purpose of financing a portion of the costs of the Series 2017 Project, which Series 2017 Bonds are to be issued under a resolution adopted by the directors of the Issuer on July 28, 2016 (the “Series 2017 Bond Resolution”) and a supplemental trust indenture dated as of March 1, 2017 (the

“Series 2017 Supplemental Indenture,” and collectively with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, the “Indenture”) by and between the Issuer and the Trustee; and

WHEREAS, the Series 2017 Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2017 Bonds as initially issued will be the Bank Purchase Rate as determined by the Bank, as the administrative agent (the “Agent”) for the initial purchaser of the Series 2017 Bonds pursuant to the terms of the Indenture and a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and among the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and the Agent; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2017 Bonds, the Issuer will execute and deliver an amendment to the loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and collectively with the Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, the “Loan Agreement”) by and between the Issuer and the Institution, with the consent of the Trustee, and certain other documents related to the Series 2017 Project and to the Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Series 2017 Financing Documents”); and

WHEREAS, pursuant to the terms of the Loan Agreement, (A) the Institution will agree, among other things, (1) to cause the Series 2017 Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2017 Bonds to the Institution; and

WHEREAS, as security for the Series 2017 Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and collectively with the Initial Pledge and Assignment, as amended by the Series 2012A Amendment to Pledge and Assignment, the “Pledge and Assignment”) from the Issuer to the Trustee; and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement and the Loan Agreement, the Institution will execute and deliver to the Agent and the Issuer a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution and the Agent, which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”); and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement, the Institution will execute and deliver to the Agent a certain security agreement, dated as of March 1, 2017 (the “Series 2017 Security Agreement”) by and between the Institution and the Agent, which grants to the Agent a security interest in, among other things, certain personal property of the Institution; and

WHEREAS, the Institution's obligation (A)(1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Continuing Covenants Agreement, and (B) the Issuer’s obligation to repay the Series 2017 Bonds will be further secured by a certain guaranty

dated as of March 1, 2017 (the “Series 2017 Guaranty of Foundation”) from the Guarantor to the Holder; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the “Series 2017 Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Series 2017 Information Return with the Internal Revenue Service, (B) the Institution will execute a tax regulatory agreement dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Tax Regulatory Agreement”) relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Bank will execute a letter (the “Issue Price Letter”) confirming the issue price of the Series 2017 Bonds for purposes of Section 148 of the Code; and

WHEREAS, in connection with the issuance of the Series 2017 Bonds, the Issuer, the Institution and the Trustee desire to execute this Series 2017 Amendment to Pledge and Assignment so as to make certain amendments to the Initial Pledge and Assignment;

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. (A) Except as provided in subsection (B) below, unless the context or use indicates another or different meaning, initially capitalized terms used in this Series 2017 Amendment to Pledge and Assignment, including in any instrument delivered pursuant hereto and in the recitals and granting clauses hereof, shall have the respective meanings specified in Appendix A to the Initial Loan Agreement or Section 1 of the Series 2012A Amendment to Pledge and Assignment. Any term defined in both this Series 2017 Amendment to Pledge and Assignment and in the Initial Pledge and Assignment shall have the meaning specified in this Series 2017 Amendment to Pledge and Assignment.

(B) The following definitions are equally applicable to both the singular and plural forms of any of the terms herein defined. As used herein:

“Agent” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Arbitrage Certificate” means (A), with respect to the Initial Bonds, the Initial Arbitrage Certificate, (B), with respect to the Series 2012A Bonds, the Series 2012A Arbitrage Certificate, (C), with respect to the Series 2017 Bonds, the Series 2017 Arbitrage Certificate, and (D), with respect to any Series of Additional Bonds, any similar documents or certificates executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to such Series of Additional Bonds.

“Bank Documents” means, collectively, the Letter of Credit, the Bond Purchase Agreement, the Building Loan Agreement, the Initial Bank Guaranty, the Guaranty of Foundation, the Series 2012A Mortgage, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, and the Mortgage and any other document now or hereafter executed by the Issuer, the Institution or any Guarantor in favor of the Bank which affects the rights of the Bank in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under any Bank Document.

“Bank Hold Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Bank Purchase Rate” means, (A) with respect to the Initial Bonds, a variable rate of interest equal to 68% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 3.25%, (B) with respect to the Series 2012A Bonds, a variable rate of interest equal to 73% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.20%, and (C) with respect to the Series 2017 Bonds, a variable rate of interest equal to 65% of the sum of the Adjusted LIBOR Rate, as determined by the Bank for each LIBOR Interest Period, plus 2.50%.

“Bank Purchase Rate Mode” means a Rate Period with respect to the Bonds in which the Bonds bear interest at the Bank Purchase Rate, commencing on the date they are purchased by the Bank and ending on a date when the Bonds are prepaid, subject to mandatory tender for purchase in connection with conversion to a new Interest Rate Mode or tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**.

“Bank Purchase Rate Period” means, with respect to a particular Series of the Bonds, that period during which such Series of the Bonds shall bear interest at a Bank Purchase Rate, beginning on, and including, the date on which such Series of the Bonds commences bearing interest at the Bank Purchase Rate and ending on the earliest of (A) the Conversion Date on which such Series of the Bonds commences bearing interest in another Interest Rate Mode, (B) the date when all of the Bonds of such Series are prepaid, (C) the date on which all of the Bonds of such Series are tendered for purchase by the Bondowner as provided in the respective form of Bonds in the Bank Purchase Rate Mode attached to the Initial Indenture as **Schedule I**, to the Series 2012A Supplemental Indenture as **Schedule I**, and to the Series 2017 Supplemental Indenture as **Schedule I**, or (D) the maturity of the Bonds of such Series.

“Bond Purchase Agreement” means, (A) with respect to the Initial Bonds, the Initial Bond Purchase Agreement (B) with respect to the Series 2012A Bonds, the 2012A Bond Purchase Agreement, (C) with respect to the Series 2017 Bonds, the Continuing Covenants Agreement, and (D) with respect to any Series of Additional Bonds, any similar documents executed by the Institution and relating to the purchase of such Series of Additional Bonds.

“Bond Resolution” means (A) with respect to the Initial Bonds, the Initial Bond Resolution, (B) with respect to the Series 2012A Bonds, the Series 2012A Bond Resolution, (C) with respect to the Series 2017 Bonds, the Series 2017 Bond Resolution, and (D) with respect to a Series of Additional Bonds, the resolution adopted by the directors of the Issuer authorizing the Issuer execute and deliver the supplemental indenture relating to such Series of Additional Bonds, to issue and sell such Series of Additional Bonds and to execute and deliver the related amendments and supplements to the Financing Documents to which the Issuer is a party.

“Closing Date” means March 27, 2017, the date on which the Series 2017 Bonds are authenticated and delivered and the Continuing Covenants Agreement is executed and delivered by the parties thereto.

“Continuing Covenants Agreement” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture

“Financing Documents” means, collectively, the Initial Financing Documents, the Series 2012A Financing Documents, and the Series 2017 Financing Documents.

“Guarantor” means the Upstate Home for Children Foundation, Inc.

“Guaranty of Foundation” means, (A) with respect to the Initial Bonds and the Series 2012A Bonds, the amended and restated guaranty dated as of July 1, 2012 from the Guarantor to the Bank, (B) with respect to the Series 2017 Bonds, the Series 2017 Guaranty of Foundation as defined in the twenty-fifth recital clause to the Series 2017 Supplemental Indenture, and (C) with respect to any Series of Additional Bonds, any similar documents executed by the Guarantor and relating to such Series of Additional Bonds.

“Holder” has the meaning given to such term in the nineteenth recital clause to the Series 2017 Supplemental Indenture.

“Indenture” means the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture and the Series 2017 Supplemental Indenture, as said indenture may be further amended or supplemented from time to time.

“Initial Advance” means the first advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Initial Bond Purchase Agreement” shall have the meaning set forth in the fourth recital clause to the Series 2017 Supplemental Indenture.

“Initial Financing Documents” means, with respect to the Initial Bonds, the following documents related thereto: the Initial Bonds, the Initial Indenture, the Initial Loan Agreement, the Pledge and Assignment, the Initial Guaranty, the Initial Tax Documents, the Bank Documents, the Initial Remarketing Agreement and any other document now or hereafter executed by the Issuer, the Institution, any Guarantor or the Bank in favor of the Bondholders, the Trustee or the Bank which affects the rights of the Bondholders, the Trustee or the Bank in or to the Initial Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Initial Request for Advance” means the first request for advance of the proceeds of the Series 2017 Bonds pursuant to the Continuing Covenants Agreement.

“Interest Payment Date” means, (A) with respect to any Series of Additional Bonds, the Interest Payment Dates on said Series of Additional Bonds, as established pursuant to the supplemental Indenture authorizing issuance of said Series of Additional Bonds, (B) with respect to a Series of the Initial Bonds or Series 2012A Bonds, the Interest Payment Date as defined in the Series 2012A Supplemental Indenture; and (C) with respect to a Series of the Series 2017 Bonds, (1) while such Series 2017 Bonds bears interest at a Weekly Rate, the first Thursday of each month, (2) while such Series 2017 Bonds bears interest at a Semi-Annual Rate or a Long-Term Rate, January 1 and July 1 of each year, (3) while such Series 2017

Bonds bears interest at a Bank Hold Rate, the dates established pursuant to Sections 2(E) of the Series 2017 Supplemental Indenture and (4) while such Series 2017 Bonds bears interest at the Bank Purchase Rate, the first calendar day of each month. The first Interest Payment Date relating to the Series 2017 Bonds shall be the Interest Payment Date on May 1, 2017. The final Interest Payment Date relating to Series 2017 Bonds shall be the Maturity Date of the Series 2017 Bonds.

“Interest Rate Agreement” means, with respect to the Initial Bonds, a certain interest rate exchange agreement dated September 24, 2010 by and between the Institution and the Bank, and, with respect to the Series 2012A Bonds, a certain interest rate exchange agreement dated [July \_\_, 2012] by and between the Institution and the Bank, [and, with respect to the Series 2017A Bonds and Series 2017B Bonds, a certain interest rate exchange agreement dated March \_\_, 2017 that will be entered into by and between the Institution and the Bank, either simultaneously herewith or within 3 days after the date hereof.]

“Loan Agreement” means the Initial Loan Agreement, as amended and supplemented by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement, as said loan agreement may be further amended or supplemented from time to time.

“Long-Term Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Long-Term Tax-Exempt Rate Period” means, (A) with respect to the Initial Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Initial Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 209(D) of the Initial Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Initial Bonds, (B) with respect to the Series 2012A Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2012A Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2012A Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2012A Bonds, and (C) with respect to the Series 2017 Bonds, any Interest Period during which a Long Term Rate is in effect with respect to the Series 2017 Bonds, beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Institution in accordance with the requirements of Section 2(D) of the Series 2017 Supplemental Indenture, as the case may be, and each period of the same duration (or as close as possible) ending on the day preceding an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Series 2017 Bonds.

“Mandatory Tender” means the mandatory tender of the Bonds by the Owner thereof (A) (1) upon a Conversion pursuant to Section 209 of the Initial Indenture (with respect to the Initial Bonds), (2) upon a Conversion pursuant to Section 2 of the Series 2012A Supplemental Indenture (with respect to the Series 2012A Bonds), and (3) upon a Conversion pursuant to Section 2 of the Series 2017 Supplemental Indenture (with respect to the Series 2017 Bonds); (B) upon the delivery by the Institution of an Alternate Credit Facility pursuant to Section 304 of the Initial Indenture; or (C) as otherwise provided under Section 304(B) of the Initial Indenture.

“Mortgaged Property” means, (A) with respect to the Initial Bonds, all Property which may from time to time be subject to the Lien of the Mortgage, (B) with respect to the Series 2012A Bonds, all Property which may from time to time be subject to the Lien of the Series 2012A Mortgage, and, (C) with respect to the Series 2017 Bonds, all Property which may from time to time be subject to the Lien of the Series 2017 Mortgage.

“Pledge and Assignment” means the Initial Pledge and Assignment, as amended and supplemented by the Series 2012A Amendment to Pledge and Assignment and the Series 2017 Amendment to Pledge and Assignment, as said loan agreement may be further amended or supplemented from time to time.

“Project” means, collectively, the Initial Project, the Series 2012A Project, and the Series 2017 Project.

“Project Facility” means, collectively, the Initial Project Facility, the Series 2012A Project Facility, and the Series 2017 Project Facility.

“Semi-Annual Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is determined in accordance with Section 209(C)(3) of the Initial Indenture, (B) with respect to the Series 2012A Bonds, the Interest Rate Mode for the Series 2012A Bonds in which the interest rate on the Series 2012A Bonds is determined in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture, and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode for the Series 2017 Bonds in which the interest rate on the Series 2017 Bonds is determined in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“Series 2017 Amendment to Loan Agreement” means the amendment to loan agreement dated as of March 1, 2017 by and between the Issuer and the Institution and consented to by the Trustee, as said amendment to loan agreement may be amended or supplemented from time to time.

“Series 2017 Amendment to Pledge and Assignment” means the amendment to pledge and assignment dated as of March 1, 2017 from the Issuer to the Trustee, as said amendment to pledge and assignment may be amended or supplemented from time to time.

“Series 2017 Arbitrage Certificate” means the certificate dated the Series 2017 Closing Date executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code relating to the Series 2017 Bonds.

“Series 2017 Bonds” means collectively, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds.

“Series 2017A Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017B Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017C Bonds” means the Issuer’s Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000, issued pursuant to the Series 2017 Bond Resolution and Article II of the Series 2017 Supplemental Indenture and sold to the Holder pursuant to the Continuing Covenants Agreement, and any Bonds issued in exchange or substitution thereof.

“Series 2017 Bond Resolution” means the resolution adopted by the directors of the Issuer on July 28, 2016 authorizing and approving the issuance of the Series 2017 Bonds and the execution and delivery of the Series 2017 Financing Documents.

“Series 2017 Closing Date” means the date on which authenticated Series 2017 Bonds are delivered to or upon the order of the Bank and payment is received therefor by the Trustee on behalf of the Issuer.

“Series 2017 Financing Documents” means the Series 2017 Bonds, the Series 2017 Supplemental Indenture, the Series 2017 Amendment to Loan Agreement, the Series 2017 Tax Documents, the Continuing Covenants Agreement and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holders of the Series 2017 Bonds or the Trustee which affects the rights of the Holders of the Series 2017 Bonds or the Trustee in or to the Series 2017 Project Facility, in whole or in part, or which secures or guarantees any sum due under the Series 2017 Bonds or any other Series 2017 Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Series 2017 Mortgage” means the mortgage, assignment of leases and rents and security agreement dated as of March 1, 2017 from the Institution to the Issuer and the Bank, which is intended to grant to the Issuer and the Bank a first priority mortgage lien on and security interest in the Mortgaged Property as additional security for the obligations of the Institution under the Loan Agreement and under the Supplement, as said mortgage may be amended or supplemented from time to time.

“Series 2017 Project” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Project Facility” shall have the meaning set forth in the seventeenth recital clause to the Series 2017 Supplemental Indenture.

“Series 2017 Supplemental Indenture” means the supplemental indenture dated as of March 1, 2017 by and between the Issuer and the Trustee with consent thereto by the Institution, which Series 2017



Supplemental Indenture amends and supplements the Initial Indenture to permit the issuance of the Series 2017 Bonds.

“Series 2017 Tax Documents” means, collectively, the Series 2017 Arbitrage Certificate and the Series 2017 Tax Regulatory Agreement.

“Series 2017 Tax Regulatory Agreement” means the tax regulatory agreement dated the Series 2017 Closing Date and executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2017 Bonds to remain excludable from gross income for federal income tax purposes.

“2012A Bond Purchase Agreement” means the supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 together with the Initial Bond Purchase Agreement.

“Supplemental Bonds” means the Series 2017 Bonds.

“Tax Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Tax Documents, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Documents, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Documents, and (D), with respect to any Series of Additional Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Series of Additional Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Initial Bonds, the Initial Tax Regulatory Agreement, (B) with respect to the Series 2012A Bonds, the Series 2012A Tax Regulatory Agreement, (C) with respect to the Series 2017 Bonds, the Series 2017 Tax Regulatory Agreement, and (D), with respect to any Series of Additional Bonds issued as Tax-Exempt Bonds, any similar document executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on such Series of Additional Bonds to remain excludable from gross income for federal income tax purposes.

“Weekly Tax-Exempt Rate” means, (A) with respect to the Initial Bonds, the Interest Rate Mode for the Initial Bonds in which the interest rate on the Initial Bonds is a variable rate that is determined in accordance with Section 209(C)(3) of the Initial Indenture; (B) with respect to the Series 2012A Bonds, the Interest Rate Mode in which the interest rate on the Series 2012A Bonds is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2012A Supplemental Indenture; and (C) with respect to the Series 2017 Bonds, the Interest Rate Mode in which the interest rate on the Series 2017 Bonds is a variable rate that is determined weekly in accordance with Section 2(C)(3) of the Series 2017 Supplemental Indenture.

“30-Day LIBOR” means with respect to the Bonds, relative to any LIBOR Interest Period, the offered rate for deposits of U.S. Dollars for a term coextensive with the designated LIBOR Interest Period which the ICE Benchmark Administration (or any successor administrator of LIBOR rates) fixes as its LIBOR rate as of 11:00 a.m. London Time on the day which is two London Banking Days prior to the beginning of such LIBOR Interest Period. If such day is not a London Banking Day, the 30-day LIBOR shall be determined on the next preceding day which is a London Banking Day. If for any reason the Agent cannot determine such offered rate fixed by the then current administrator of LIBOR rates, the Agent may, in its sole but reasonable discretion and upon notice to the Company, use an alternative method to select a rate calculated by the Agent to reflect its cost of funds.

SECTION 2. ADDITIONAL REPRESENTATIONS BY THE ISSUER. (A) Except as modified by the Series 2017 Financing Documents, the Issuer confirms, as of the date hereof, the representations of the Issuer set forth in the Initial Pledge and Assignment.

(B) The Issuer further represents that (1) the Issuer has the power under the Act to enter into the transactions contemplated by the Series 2017 Financing Documents to be executed by the Issuer, (2) the Issuer has not received notice that it is in default under the Initial Financing Documents, and (3) the Issuer has duly authorized the execution, delivery and performance of the Series 2017 Financing Documents to be executed by the Issuer.

SECTION 3. AMENDMENTS TO INITIAL PLEDGE AND ASSIGNMENT. The Initial Pledge and Assignment is hereby amended as follows:

The Initial Pledge and Assignment is hereby amended so that the following words and terms shall have the respective meanings ascribed thereto in Section 1 of this Series 2017 Amendment to Pledge and Assignment: “Bonds,” “Financing Documents,” “Indenture,” “Loan Agreement,” and “Pledge and Assignment.”

SECTION 4. PROVISIONS OF SERIES 2017 AMENDMENT TO PLEDGE AND ASSIGNMENT CONSTRUED WITH THE INITIAL PLEDGE AND ASSIGNMENT. All of the covenants, agreements and provisions of this Series 2017 Amendment to Pledge and Assignment shall be deemed to be and construed as part of the Initial Pledge and Assignment and vice versa to the same extent as if fully set forth verbatim therein and herein. In the event of any variation or inconsistency between any covenant, agreement or provision contained in this Series 2017 Amendment to Pledge and Assignment and any covenant, agreement or provision contained in the Initial Pledge and Assignment, the covenant, agreement or provision contained herein shall govern.

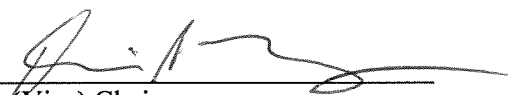
SECTION 5. INITIAL PLEDGE AND ASSIGNMENT AS AMENDED TO REMAIN IN EFFECT. Except as amended by this Series 2017 Amendment to Pledge and Assignment, the Initial Pledge and Assignment shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

SECTION 6. RECORDING AND FILING. This Series 2017 Amendment to Pledge and Assignment shall be recorded by the Issuer in such office or offices as may at the time be provided by law as the proper place or places for the recordation of filing thereof.

SECTION 7. EXECUTION OF COUNTERPARTS. This Series 2017 Amendment to Pledge and Assignment 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.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Series 2017 Amendment to Pledge and Assignment to be executed in their respective names by their respective Authorized Representatives, all as of the date and year first above written.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY:   
(Vice) Chairman

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

BY: \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Series 2017 Amendment to Pledge and Assignment to be executed in their respective names by their respective Authorized Representatives, all as of the date and year first above written.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

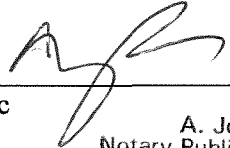
BY: \_\_\_\_\_  
Authorized Officer

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee

BY: Maureen A. Auld  
Authorized Officer

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

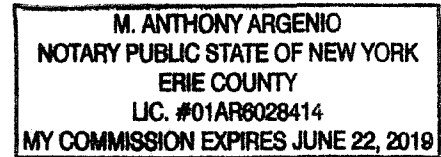
On the 23<sup>rd</sup> day of February, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared DEVIN MORGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
Notary Public  
A. Joseph Scott III  
Notary Public, State of New York  
Qualified in Albany County  
No. 02SC4811591  
Commission Expires December 31, 2018

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

On the 17<sup>th</sup> day of March, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Margaret A. Auld, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

M. Argenio  
Notary Public

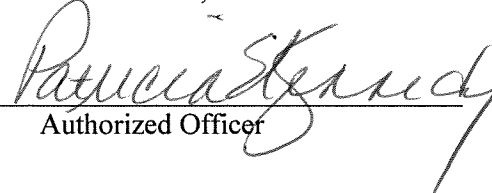


ACKNOWLEDGMENT BY INSTITUTION OF ASSIGNMENT OF  
SELLER'S RIGHTS UNDER LOAN AGREEMENT

The undersigned hereby acknowledges receipt of notice of the pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment"), as amended and supplemented by a supplemental pledge and assignment dated as of July 1, 2012 (the "Series 2012A Supplemental Pledge and Assignment") and a supplemental pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment," and collectively with the Initial Pledge and Assignment and the Series 2012A Supplemental Pledge and Assignment, the "Pledge and Assignment") assigning to Manufacturers and Traders Trust Company, as trustee (the "Trustee") all rights and interests of Otsego County Capital Resource Corporation (the "Issuer") (excepting the Unassigned Rights, as defined in the Loan Agreement, as hereinafter defined) under, in and pursuant to a certain loan agreement dated as of September 1, 2010 (the "Initial Loan Agreement"), as amended by an amendment to loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") and an amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement," and collectively with the Initial Loan Agreement and the Series 2012A Amendment to Loan Agreement, the "Loan Agreement") by and between the Issuer and Springbrook NY, Inc. (the "Institution"). The undersigned, intending to be legally bound, hereby agrees with the Trustee (A) to pay directly to the Trustee all sums due and to become due to the Issuer from the undersigned under the Loan Agreement (except for moneys payable pursuant to the Unassigned Rights), without set-off, counterclaim or deduction for any reason whatsoever, except as otherwise provided in the Loan Agreement, (B) except as otherwise provided in the Loan Agreement, not to seek to recover from the Trustee any moneys paid to the Trustee pursuant to the Loan Agreement, (C) to perform for the benefit of the Trustee all of the duties and undertakings of the undersigned under the Loan Agreement (except for duties and obligations relating to the Unassigned Rights), and (D) that the Trustee shall not be obligated by reason of the Pledge and Assignment or otherwise to perform or be responsible for the performance of any of the duties, undertakings or obligations of the Issuer under the Loan Agreement.

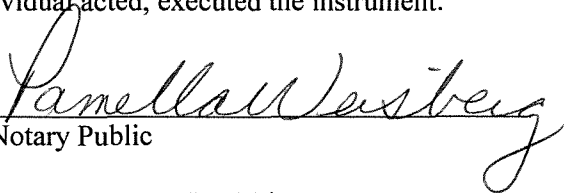
IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment to be duly executed as of March 1, 2017.

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

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

On the 24<sup>th</sup> day of March, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared PATRICIA E. KENNEDY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018



Record and Return to:  
Amanda M. Mirabito, Esq.  
Barclay Damon, LLP  
80 State Street, 6<sup>th</sup> Floor  
Albany, New York 12207

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**SPRINGBROOK NY, INC.**  
as Mortgagor

and

**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**  
and

**CITIZENS BANK, N.A., as Administrative Agent**  
Together as Mortgagees

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**BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT**

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Dated as of March 1, 2017

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relating to

Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

**THIS BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT (A) AFFECTS TANGIBLE AND INTANGIBLE PERSONAL  
PROPERTY AS WELL AS REAL PROPERTY, (B) CONTAINS AFTER-ACQUIRED  
PROPERTY PROVISIONS, AND (C) IS INTENDED TO CONSTITUTE A SECURITY  
AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF  
NEW YORK.**

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**BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT**

**THIS BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT** dated as of March 1, 2017 (this "*Mortgage*"), by **SPRINGBROOK NY, INC.**, a not-for-profit corporation duly organized and validly existing under the laws of the State of New York having an office at 2705 State Highway #28, Oneonta, New York 13820-9753 (the "*Institution*" or "*Mortgagor*") for the benefit of **OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**, a not-for-profit corporation duly organized and validly existing under the New York State Not-for-Profit Corporation Law having an office at 242 Main Street, Oneonta, New York 13820 (the "*Issuer*") and **CITIZENS BANK, N.A.**, a national banking association having an office at 250 Clinton Street, Syracuse, New York 13202, as administrative agent (the "*Agent*" and together with the Issuer, the "*Mortgagees*") for Citizens Funding Corp., the holder of the Series 2017 Bonds (as defined below) (the "*Holder*").

THE MEANING OF CAPITALIZED TERMS (NOT OTHERWISE DEFINED)  
CAN BE DETERMINED BY REFERENCE TO SCHEDULE A OF THIS MORTGAGE.

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

**WHEREAS**, at the request of the Institution, the Issuer issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in an aggregate principal amount of up to \$25,200,000 (the "*Initial Bonds*") under the terms and conditions more fully set forth in a trust indenture dated as of September 1, 2010 (the "*Initial Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "*Trustee*"); and

**WHEREAS**, the Issuer loaned the proceeds of the Initial Bonds to the Institution pursuant to a loan agreement dated as of September 1, 2010 (the "*Initial Loan Agreement*") and assigned to the Trustee certain of the Issuer's rights under the Loan Agreement pursuant to a Pledge and Assignment dated as of September 1, 2010 (the "*Initial Pledge and Assignment*"), from the Issuer to the Trustee; and

**WHEREAS**, Citizens Bank, N.A. (formerly known as RBS Citizens, N.A.) in its corporate capacity (the "*Bank*") agreed to make a draw down loan facility evidenced by the Initial Bonds pursuant to a Bond Purchase Agreement and Reimbursement Agreement dated as of September 1, 2010 (the "*Initial Reimbursement Agreement*"); and

**WHEREAS**, at the request of the Institution, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A, in the aggregate principal amount of \$2,500,000 (the "*Series 2012A Bonds*") under the terms and conditions more fully set forth in a Series 2012A Supplemental Indenture dated as of July 1, 2012 (the "*Series 2012A Supplemental Indenture*"), by and between the Issuer and the Trustee with the consent thereto by the Institution; and

**WHEREAS**, in connection with the issuance of the Series 2012A Bonds, the Issuer and the Institution with the consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2012A Amendment to Loan Agreement dated as of July 1, 2012 (the "*Series 2012A Amendment to Loan Agreement*"), by and between the Issuer and the Institution; and

**WHEREAS**, the Agent agreed to purchase the Series 2012A Bonds pursuant to the Supplement to Bond Purchase Agreement and Reimbursement Agreement dated as of July 1, 2012 (the "*Supplement to Reimbursement Agreement*" and together with the Initial Reimbursement Agreement, the "*Reimbursement Agreement*"), by and between the Institution and the Bank; and

**WHEREAS**, the Institution has requested the Issuer issue one or more series of bonds under the Initial Indenture and a Series 2017 Supplemental Indenture dated as of March 1, 2017 (the "*Series 2017 Supplemental Indenture*" and collectively with the Initial Indenture and the Series 2012A Supplemental Indenture, the "*Indenture*"), by and between the Issuer and the Trustee with consent thereto by the Institution to assist it with the financing of, among other things, a portion of the costs of the construction and equipping on the Institution's main campus (the "*Main Campus*") located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "*Land*") of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "*Residence Project*"), and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the "*Network Project*" and collectively with the Residence Project, the "*Project*"); all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

**WHEREAS**, the Issuer has determined to issue the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A (the "*Series 2017A Bonds*") in the up to aggregate principal amount of \$5,550,000; the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B (the "*Series 2017B Bonds*") in the up to aggregate principal amount of \$500,000; and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C (the "*Series 2017C Bonds*" and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "*Series 2017 Bonds*") in the up to aggregate principal amount of \$4,450,000, under the terms and conditions more fully set forth in a Series 2017 Supplemental Indenture; and

**WHEREAS**, in connection with the issuance of the Series 2017 Bonds, the Issuer and the Institution with consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the "*Series 2017 Amendment to Loan Agreement*" and the Initial Loan Agreement as amended by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement and as further amended, modified or supplemented from time to time, the "*Loan Agreement*"), by and between the Issuer and the Institution; and

**WHEREAS**, the Holder, in consideration of, among other things, the express promises of the Institution set forth in the Loan Agreement and the Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (the "*Continuing Covenants Agreement*"), by and between the Institution, the Issuer, the Holder and the Agent, agreed to make a draw down loan facility evidenced by the Series 2017 Bonds in the maximum aggregate principal amount of up to \$10,500,000; and

**WHEREAS**, pursuant to the Continuing Covenants Agreement, the Holder appointed the Agent as administrative agent for the Holder with respect to the Continuing Covenants Agreement and the Series 2017 Bonds; and

**WHEREAS**, among other things, as security for the Institution's obligations under the Loan Agreement and the Continuing Covenants Agreement, the Institution has agreed to grant to the Issuer and to the Agent a mortgage lien on and security interest in the Series 2017 Mortgaged Property (as defined in Section 2.01 below), as more fully described on Schedule A attached hereto (subjected only to Permitted Encumbrances); and

**WHEREAS**, in order to induce the Holder to enter into the Continuing Covenants Agreement and establish the draw down loan facility evidenced by the Series 2017 Bonds for the benefit of the Institution, the Institution is willing to enter into this Mortgage;

**WHEREAS**, all things necessary to constitute this Mortgage a valid first priority Lien on and pledge of the Series 2017 Mortgaged Property in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Mortgage, as security for the Institution's obligations to the Issuer under the Loan Agreement and the Agent under the Continuing Covenants Agreement, the Series 2017 Bonds and the other Credit Documents, have in all respects been duly authorized;

**NOW, THEREFORE, THIS MORTGAGE FURTHER WITNESSETH:**

**KNOW BY THESE PRESENTS**, that the Institution, in order to secure (a) the payments to the Agent of the principal of, premium, if any, redemption price, if any, LIBOR Breakage Fee, if any, and interest on the Series 2017 Bonds, according to the tenor and effect of the Series 2017 Bonds, (b) payment of all other sums required to be paid to the Agent under the Loan Agreement, the Continuing Covenants Agreement or Credit Documents, (c) the performance and observance by the Institution of all of the covenants, agreements, representations and warranties herein and in the other Credit Documents, (d) payment by the Institution to the Agent of all sums expended or advanced by the Mortgagees pursuant to any term, covenant or provision of this Mortgage, (e) payment and performance of any and all Secured Hedge Obligation, including without limitation the LIBOR Breakage Fee, now or hereafter entered into by the Institution with the Agent in connection with the Series 2017 Bonds (and any such Secured Hedge Obligations shall be (i) deemed additional interest or related expense (to be determined in the sole discretion of the Agent) due in connection with the principal amount of the Indebtedness secured by this Mortgage, (ii) included (in the manner described above) as part of the Indebtedness secured by this Mortgage, and secured by this Mortgage to the full extent thereof, and (iii) included in any judgment in any proceeding instituted by the Mortgagees or their agents against the Institution for foreclosure of this

Mortgage or otherwise, and (f) performance of each covenant, term and provision by the Institution to be performed pursuant to this Mortgage, the Series 2017 Bonds and the other Credit Documents (clauses (a) – (f) hereinafter collectively referred to as the “*Indebtedness*”), does hereby covenant and agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01 Definitions.** All of the capitalized terms used in this Mortgage and not otherwise defined shall have the meanings assigned thereto in the Schedule of Definitions attached hereto and made a part hereof as Schedule A.

**Section 1.02 Interpretation.** In this Mortgage, unless the context otherwise requires:

(a) The terms “*hereby*,” “*hereof*,” “*herein*,” “*hereunder*” and any similar terms as used in this Mortgage refer to this Mortgage, and the term “*heretofore*” shall mean before the date of this Mortgage, and the term “*hereafter*” shall mean after the date of this Mortgage;

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

(c) Words importing the singular number shall mean and include the plural number, and vice versa; and

(d) Any certificates, notices, letters or opinions required to be given pursuant to this Mortgage shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Mortgage.

**Section 1.03 Incorporation of Recitals.** The foregoing preambles and other recitals set forth in this Mortgage are made a part hereof by this reference.

**Section 1.04 Maximum Principal Indebtedness.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF PRINCIPAL INDEBTEDNESS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED BY THIS MORTGAGE AT ANY TIME IS TEN MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$10,500,000); TOGETHER WITH AMOUNTS EXPENDED BY THE MORTGAGEES AFTER DEFAULT OF SUMS ADVANCED OR PAID FOR HEREUNDER TO MAINTAIN THE LIEN OF THIS MORTGAGE OR TO PROTECT THE PREMISES SECURED BY THIS MORTGAGE, INCLUDING, WITHOUT LIMITATION, AMOUNTS IN RESPECT OF INSURANCE PREMIUMS, IMPOSITIONS (OR PAYMENTS IN LIEU OF IMPOSITIONS), LITIGATION EXPENSES TO PROSECUTE OR DEFEND THE RIGHTS, REMEDIES AND LIEN OF THIS MORTGAGE OR TITLE TO THE PREMISES SECURED HEREBY, AND ANY COSTS, CHARGES OR AMOUNTS TO

WHICH THE MORTGAGEES BECOME SUBROGATED UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY OR UNDER EXPRESS STATUTORY AUTHORITY.

## ARTICLE II

### GRANTING CLAUSES; SECURITY AGREEMENT; GENERAL COVENANTS

**Section 2.01 Granting Clauses.** The Institution, in consideration of the execution and delivery by the Issuer of the Loan Agreement and in consideration of the execution and delivery by the Holder and the Agent of the Continuing Covenants Agreement and other Credit Documents and the establishment of the draw down loan facility evidenced by the Holder of the Series 2017 Bonds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure (a) the Indebtedness; together with (b) (i) interest and amounts that the Agent or the Issuer expends under this Mortgage in connection with any taxes, charges or assessments that may be imposed by law upon the Series 2017 Mortgaged Property, (ii) premiums on insurance policies covering the Series 2017 Mortgaged Property, and (iii) expenses incurred in upholding that Lien of this Mortgage, including the expenses of any litigation to prosecute or defend the rights and Lien created by this Mortgage (all of the above in (a) and (b) being collectively referred to herein as the "*Mortgage Indebtedness*"), and in order to secure the Mortgage Indebtedness, hereby warrants, assigns, mortgages, hypothecates, pledges, grants a Lien on and security interest in, sets over and confirms unto the Issuer and the Agent, as administrative agent for the Holder, and their respective successors and assigns forever, all of the estate, right, title and interest of the Institution in, to and under any and all of the following described property (the "*Mortgaged Property*"), whether now owned or held or hereafter acquired:

(a) (i) the real property more particularly described in Exhibit A attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Institution in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Project (collectively, the "*Improvements*");

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, Improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the



Series 2017 Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Series 2017 Mortgaged Property or now or hereafter transferred to the Series 2017 Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Series 2017 Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Series 2017 Mortgaged Property or the other real property described above now or hereafter entered into and the right to receive and apply the rents, issues and profits of the Series 2017 Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Institution shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Series 2017 Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Institution's right to use such insurance proceeds or condemnation award for restoration of the Series 2017 Mortgaged Property as provided in the Continuing Covenants Agreement;

(f) all right, title and interest of the Institution in and to all contracts from time to time executed by the Institution or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Series 2017 Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Series 2017 Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Series 2017 Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Series 2017 Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Series 2017 Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

**TO HAVE AND TO HOLD** the foregoing Mortgaged Property unto the Issuer, the Agent, as administrative agent for the Holder, and their respective successors and assigns forever;

**SUBJECT, HOWEVER,** to the Permitted Encumbrances;

**PROVIDED, HOWEVER,** that, if (A) there shall be no event of default under the Continuing Covenants Agreement, (B) the Institution shall perform and observe all the covenants to be performed and observed hereunder and perform all obligations under the Continuing Covenants Agreement and the other Credit Documents to which it is a party, and (C) the Institution has paid or caused to be paid to the Agent and the Holder all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the other Credit Documents to which it is a party, including, without limitation, all amounts owed under all indemnification provisions, then upon such final payments and such performance and observance, this Mortgage and the rights hereby granted shall cease, terminate and be void; otherwise, this Mortgage to be and remain in full force and effect.

The up to \$10,500,000.00 original maximum principal balance of the Series 2017 Bonds is comprised of the following: (a) building loan proceeds ("*Building Loan Proceeds*") in the maximum principal amount of \$7,920,868.41, and (b) mortgage loan proceeds ("*Mortgage Loan Proceeds*") in the maximum principal amount of \$2,579,131.59. The Building Loan Proceeds shall be disbursed pursuant to the terms and conditions of the Building Loan Agreement to pay for, among other things, direct costs of construction of the Project which qualify as "costs of Improvement" within the definition thereof contained in subdivision 5 of Section 2 of the Lien Law. The Mortgage Loan Proceeds shall be used to pay for costs which do not qualify as "costs of Improvement" under the Lien Law. The Mortgage Loan Proceeds shall be disbursed separately and independently from the Building Loan Proceeds pursuant to the terms and conditions of the Continuing Covenants Agreement.

**Section 2.02 Security Agreement.** The Series 2017 Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of the Institution in the Series 2017 Mortgaged Property, including personal property used by the Institution in connection with the Series 2017 Mortgaged Property. This Mortgage shall also constitute a security agreement under the Uniform Commercial Code of the State so that the Issuer and the Agent shall have and may enforce a security interest in any or all of the Series 2017 Mortgaged Property, in addition to (but not in limitation of) the Lien upon that portion of the Series 2017 Mortgaged Property constituting part of the realty imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor, all proceeds thereof, including insurance and condemnation proceeds, and all contract rights, rental or lease payments and general intangibles of the Institution obtained in connection with or relating to the Series 2017 Mortgaged Property as well as any and all items of property in the foregoing classifications which are hereafter acquired. Pursuant to the Uniform Commercial Code of the State, the Institution hereby authorizes the Issuer or the Agent to file continuation statements as shall be necessary or advisable in order to perfect or continue the perfection of Issuer's or the Agent's security interests in any of the Series 2017 Mortgaged Property covered by this Mortgage, and the Institution shall pay to the Issuer and the Agent, on demand, any expenses incurred by the Issuer and the Agent in connection with the preparation and filing of such statements and any continuation statements that may be filed by the Issuer or the Agent. Notwithstanding anything herein to the contrary, the Institution, and not the Agent or the Issuer, shall be responsible for taking any and all action as shall be required by law to fully

protect and perfect the security interest of the Issuer or the Agent in the Series 2017 Mortgaged Property, including, but not limited to, recording of this Mortgage and filing of all UCC financing and continuation statements with respect to the security interests granted by this Mortgage.

**Section 2.03 Information Under the Uniform Commercial Code.** The following information is stated in order to facilitate filings under the Uniform Commercial Code of the State: The Secured Parties are (a) Otsego County Capital Resource Corporation, a New York not-for-profit corporation having office for the transaction of business at 242 Main Street, Oneonta, New York 13820, and (b) Citizens Bank, N.A., a national banking association having offices for the transaction of business located at 250 Clinton Street, Syracuse, New York 13202, as administrative agent for the Holder. The Debtor is Springbrook NY, Inc., a New York not-for-profit corporation having an office at 2705 State Highway #28, Oneonta, New York 13820-9753.

**Section 2.04 Performance of Covenants.** The Institution hereby covenants that it will faithfully observe and perform, or cause to be observed and performed, at all times, any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in this Mortgage, the Series 2017 Bonds, the Loan Agreement, the Continuing Covenants Agreement, the Secured Hedge Agreement and the other Credit Documents executed or to be executed by them.

**Section 2.05 Priority of Lien of Mortgage; Discharge of Liens and Encumbrances.**

(a) The Institution hereby represents and warrants that, except for Permitted Encumbrances, the Institution is lawfully seized of the estate conveyed hereby and the Institution has the right to grant and convey the Series 2017 Mortgaged Property, and the Institution will warrant and defend title to the Series 2017 Mortgaged Property against all claims and demands, excepting the Permitted Encumbrances.

(b) The Institution shall not create and the Institution shall not permit or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Series 2017 Mortgaged Property or any part thereof, without the prior written consent of the Agent.

(c) Notwithstanding the provisions of Section 2.05(b), the Institution may in good faith contest any such Lien, *provided that* the Institution (1) first shall have notified the Agent of such contest, (2) is not in default under any of the Credit Documents, (3) shall have set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Agent, and (4) demonstrates to the reasonable satisfaction of the Agent that the failure to discharge any such Lien will not subject the Lien of this Mortgage or the Series 2017 Mortgaged Property or any part thereof or the Bond proceeds or any funds of the Issuer applicable to the acquisition, reconstruction, construction or equipping of the Series 2017 Mortgaged Property to loss or forfeiture.

**Section 2.06 Payment of Principal and Interest on the Series 2017 Bonds; Payment of Amounts Due Under the Series 2017 Bonds, the Loan Agreement, the Continuing**

**Covenants Agreement and any Secured Hedge Agreement.** The Institution hereby covenants that it will promptly pay, or cause to be paid, sums due under the Series 2017 Bonds, the Loan Agreement, the Continuing Covenants Agreement and any Secured Hedge Agreement. All covenants, conditions and agreements contained in the Series 2017 Bonds, the Loan Agreement, the Continuing Covenants Agreement, any Secured Hedge Agreement and the other Credit Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

**Section 3.01 Representations, Warranties and Covenants of the Institution.** The Institution represents, warrants and covenants to the Agent and to the Issuer as follows:

(a) The Institution has good and marketable title to the Land and the Improvements thereon free and clear of all Liens, subject only to Permitted Encumbrances. The Institution owns or will own all Equipment, including any substitutions or replacements thereof, free and clear of all Liens and claims, and this Mortgage is and will remain a valid and enforceable Lien on the Series 2017 Mortgaged Property.

(b) The Institution is a not-for-profit corporation organized and existing under the laws of the State and has the power to enter into and perform this Mortgage and the other Credit Documents executed by the Institution and to mortgage and pledge the Series 2017 Mortgaged Property in the manner and to the extent herein set forth.

(c) This Mortgage and the other Credit Documents and Financing Documents executed by the Institution constitute valid and enforceable obligations according to their respective terms.

(d) Neither the execution and delivery of this Mortgage or the other Credit Documents or Financing Documents executed by the Institution, the consummation of the transactions contemplated hereby or thereby nor the fulfillment of or compliance with the provisions hereof or thereof will violate any provision of the Institution's Certificate of Incorporation, as amended, or conflict with or result in a breach of or default under any of the terms, conditions or provisions of any order, judgment, Laws, restriction, agreement or instrument to which the Institution is a party or by which the Institution or any of its Property is or may be bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Institution under the terms of any such instrument or agreement.

(e) The Series 2017 Mortgaged Property and the operation thereof currently comply and will continue to comply in all material respects with all applicable Laws.

(f) The Land is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards pursuant to the terms of the National

Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as same may have been amended to date.

(g) The Institution has (or, prior to commencement of occupancy or operation thereof, will have) all necessary certificates, licenses, authorizations, registrations, permits and approvals necessary for use and occupancy of the Series 2017 Mortgaged Property, including, but not limited to, all required environmental permits, all of which are to the knowledge of the Institution, subject to any revocation, amendment, release, suspension, forfeiture or the like; and the present and contemplated use and occupancy of the Land does not conflict with or violate any such certificate, license, authorization, registration, permit or approval.

(h) The representations and warranties of the Institution set forth in Article 8 of the Continuing Covenants Agreement are true and correct, and such representations and warranties are incorporated herein by reference and made a part hereof.

#### ARTICLE IV

#### MAINTENANCE, MODIFICATION, TAXES AND INSURANCE

**Section 4.01 Maintenance of and Modifications to the Series 2017 Mortgaged Property by the Institution.** The Institution shall, at all times during the term of this Mortgage, (A) keep the Series 2017 Mortgaged Property in good condition and repair and preserve the same against waste, loss, damage, ordinary wear and tear excepted; (B) make all necessary repairs and replacements to the Series 2017 Mortgaged Property or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (C) not remove or demolish any portion of the Series 2017 Mortgaged Property or alter in any material respect the character of any Improvement without the prior written consent of the Agent; (D) not permit the Series 2017 Mortgaged Property to become deserted or abandoned; and (E) operate the Series 2017 Mortgaged Property in a sound and economic manner.

**Section 4.02 Insurance Required.** At all times throughout the term of this Mortgage, including, without limitation, during any period of construction or reconstruction of the Series 2017 Mortgaged Property, the Institution shall maintain or cause to be maintained the insurance described in Exhibit C of the Continuing Covenants Agreement and shall within ten (10) days of request therefor by the Agent deliver proof to the Agent that such insurance has been and is being maintained.

**Section 4.03 Real Estate Taxes and Mortgage Recording Taxes.**

(a) The Institution shall pay or cause to be paid, as the same respectively become due, all taxes, governmental charges, assessments, sewer rents or water rates and any payments in lieu thereof ("*Real Estate Taxes*") assessed against or with respect to the Series 2017 Mortgaged Property, *provided that*, with respect to any such Real Estate Taxes that may lawfully be paid in installments over a period of years, the Institution shall be obligated under this Mortgage to pay

or cause to be paid only such installments as are required to be paid during the term of this Mortgage.

(b) The Institution shall pay immediately all taxes, if any, imposed pursuant to Article 11 of the New York Tax Law or any other statute, order or regulation ("*Mortgage Recording Taxes*") and together with the Real Estate Taxes, the "*Taxes*"), whether said tax is imposed at time of recording hereof or subsequent thereto. This obligation shall survive the satisfaction or termination of the Mortgage.

(c) None of the foregoing shall prevent the Institution from contesting in good faith the validity, existence or applicability of any Taxes if (1) such contest shall not result in the Series 2017 Mortgaged Property or any part thereof or interest therein being in any danger of being sold, forfeited or lost; (2) such contest shall not result in the Institution, the Issuer or the Agent being in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith; and (3) the Institution shall have furnished such security, if any, as may be requested by the Issuer or the Agent to protect the security intended to be offered by this Mortgage.

## ARTICLE V

### SPECIAL COVENANTS

**Section 5.01 Right of Access to the Series 2017 Mortgaged Property.** The Institution agrees that the Issuer, the Agent and their respective duly authorized agents shall have the right at all reasonable times to enter upon and to examine and inspect the Series 2017 Mortgaged Property, subject to all applicable Laws (which prior to the occurrence and continuance of an Event of Default shall be during reasonable business hours, upon reasonable notice, accompanied by a representative of the Institution).

**Section 5.02 Inspection of Books.** The Institution hereby covenants that all books and documents in its possession relating to the Series 2017 Mortgaged Property and the revenues derived from the Series 2017 Mortgaged Property shall at all reasonable times be open to inspection by such accountants or other agents as the Issuer or the Agent may from time to time designate (which prior to the occurrence and continuance of an Event of Default shall be during reasonable business hours, upon reasonable notice, accompanied by a representative of the Institution).

**Section 5.03 Agreement to Provide Information.** The Institution agrees, whenever requested by the Agent or the Issuer, to provide and certify, or cause to be provided and certified, such information concerning the Institution, its finances and other topics as the Issuer or the Agent from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Issuer or the Agent to make any reports required by applicable Laws.

**Section 5.04 Books of Record and Account.** The Institution agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Institution.

**Section 5.05 Compliance with Applicable Laws.**

(a) The Institution agrees that it will, at all times prior to the termination of this Mortgage, promptly and fully comply in all material respects with all (1) applicable Laws, (2) any covenants, conditions and restrictions of record relating to the ownership, use, operation or leasing of the Series 2017 Mortgaged Property, (3) covenants, conditions and restrictions set forth in any document or instrument creating a Lien or charge upon all or any portion of the Series 2017 Mortgaged Property, and (4) policies of insurance at any time in force with respect to the Series 2017 Mortgaged Property.

(b) None of the foregoing shall prevent the Institution from contesting in good faith the validity, existence or applicability of any of the foregoing if (1) such contest shall not result in the Series 2017 Mortgaged Property or any part thereof or interest therein being in any danger of being sold, forfeited or lost; (2) such contest shall not result in the Institution, the Issuer or the Agent being in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith; and (3) the Institution shall have furnished such security, if any, as may be requested by the Issuer or the Agent to protect the security intended to be offered by this Mortgage. This Section 5.05(b) shall not be deemed to apply to the payment of Taxes, as to which Section 4.03 hereof shall govern or to Liens as to which Section 2.05 of this Mortgage shall govern.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

**Section 6.01 Events of Default Defined.** The following shall be “Events of Default” under this Mortgage and the terms “Event of Default” shall mean, whenever they are used in or with respect to this Mortgage, any one or more of the following events:

(a) a default in the due and punctual payment of principal of and premium, if any, LIBOR Breakage Fee, if any, and interest on, the Series 2017 Bonds;

(b) failure (i) of the Institution or of the Guarantor to observe or perform any of the other covenants or conditions by the Institution or the Guarantor to be performed under the terms of this Mortgage, the Series 2017 Bonds, any Secured Hedge Agreement or any Credit Document concerning the payment of money, for a period of ten (10) days after written notice from the Agent or the Holder that the same is due and payable; or (ii) of the Institution or of the Guarantor for a period of thirty (30) days after written notice from the Agent or the Holder, to observe or perform any non-monetary covenant or condition contained in this Mortgage, the Series 2017 Bonds, any Secured Hedge Agreement or any Credit Documents; *provided that* if any such failure concerning a non-monetary covenant or condition is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, then the Institution or the

Guarantor, as the case may be, shall have an additional thirty (30) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as the Institution or Guarantor commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting sixty (60) day period from the date of notice from the Agent or the Holder; *provided further* that if a different notice or grace period is specified under any other subsection of this Article with respect to a particular breach, or if another subsection of this Article applies to a particular breach and does not expressly provide for a notice or grace period, the specific provision shall control;

(c) an event of default under the Indenture, the Loan Agreement or the other Financing Documents;

(d) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the Series 2017 Bonds, or made or furnished to the Agent, at any time, in or pursuant to the terms of this Mortgage or otherwise by the Institution, shall prove to have been false or misleading in any material respect when made;

(e) the Institution or any Guarantor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of any of its assets; (ii) admit in writing its inability to pay its debts as they mature; (iii) make a general assignment for the benefit of creditors; (iv) be adjudicated bankrupt or insolvent; or (v) file a voluntary petition in bankruptcy, or a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation by law or statute, or an answer admitting the material allegations of a petition filed against the Institution in any proceeding under any such law or the filing of an involuntary bankruptcy against the Institution, or if corporate action shall be taken by the Institution for the purpose of effecting any of the foregoing;

(f) an order, judgment or decree shall be entered, without the application, approval or consent of the Institution or any Guarantor, by any court of competent jurisdiction, approving a petition seeking reorganization of the Institution or any Guarantor, or of all or a substantial part of any of its respective properties or assets or appointing a receiver, trustee or liquidator of the Institution or any Guarantor and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) days;

(g) the Institution shall conceal, remove or permit to be concealed or removed any part of its Property with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;

(h) the Series 2017 Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, except as is expressly provided in the Continuing Covenants Agreement, or the Institution threatens to encumber, assign, lease, sublease, sell, transfer or convey the Series 2017



Mortgaged Property, or any part thereof, to any Person except as is expressly provided in the Continuing Covenants Agreement; or

(i) the imposition of a Lien on the Series 2017 Mortgaged Property other than a Lien being contested as provided herein or a Permitted Encumbrance.

**Section 6.02 Acceleration; Annulment of Acceleration.**

(a) Upon the occurrence of an Event of Default hereunder, the Issuer or the Agent may, by notice in writing delivered to the Institution, declare the whole of the Mortgage Indebtedness immediately due and payable, whereupon the same shall become and be immediately due and payable, anything in this Mortgage, the Loan Agreement, the Series 2017 Bonds or any other Credit Document to the contrary notwithstanding. In such event, there shall be due and payable the total amount of the Mortgage Indebtedness plus all accrued but unpaid interest thereon and all interest which will accrue thereon to the date of payment, together with any premium payable thereon.

(b) At any time after the principal of the Series 2017 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 Mortgage, the Agent may, at its option, annul such declaration and its consequences. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**Section 6.03 Enforcement of Remedies.**

(a) Upon the occurrence of any Event of Default hereunder, the Issuer or the Agent may proceed forthwith to protect and enforce its rights under this Mortgage and the other Credit Documents by such suits, actions or proceedings as the Agent shall deem appropriate, including, without limitation, an action to foreclose the Lien of this Mortgage, in which case the Series 2017 Mortgaged Property or any interest therein may be sold for cash or credit in one or more interests and in any order or manner (including the power of sale in effect from time to time under applicable State law).

(b) Upon the occurrence of any Event of Default hereunder, the Issuer or the Agent may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, premium, interest, LIBOR Breakage Fee, if any, or otherwise under the Series 2017 Bonds, any of the provisions of this Mortgage, or the other Credit Documents, without prejudice to any other right or remedy of the Issuer or the Agent. Upon the occurrence of any Event of Default hereunder, the Issuer or the Agent may also declare the entire indebtedness secured hereby immediately due and payable without presentment, demand, protest or notice of any kind, and the Issuer or the Agent may take any action permitted at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights against the Institution and the Series 2017 Mortgaged Property.

(c) Regardless of the happening of an Event of Default hereunder, the Issuer or the Agent may institute and maintain such suits and proceedings as the Issuer or the Agent may be

advised shall be necessary or expedient to prevent any impairment of the security under this Mortgage by any acts which may be unlawful or in violation of this Mortgage, or to preserve or protect the interests of the Issuer or the Agent.

(d) The Issuer or the Agent shall have the right to appear in and defend any action or proceeding brought with respect to the Series 2017 Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Institution, which the Issuer or the Agent, in its discretion, feels should be brought to protect its interests in the Series 2017 Mortgaged Property.

(e) Upon the occurrence of any Event of Default hereunder, the Institution, upon demand of the Issuer or the Agent, shall forthwith surrender the possession of, and it shall be lawful for the Issuer or the Agent, by such officer or agent as it may appoint, to take possession of, all or any part of the Series 2017 Mortgaged Property, together with the books, papers and accounts of the Institution pertaining thereto, and to hold, operate and manage the same, and from time to time to make all needed repairs and Improvements as the Agent shall deem wise, the Issuer or the Agent may sell the Series 2017 Mortgaged Property or any part thereof, or lease the Series 2017 Mortgaged Property or any part thereof in the name and for the account of the Institution, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same all proper costs and expenses of taking, holding, leasing, selling and managing the Series 2017 Mortgaged Property, including reasonable compensation to the Issuer or the Agent and its agents and counsel, and any charges of the Issuer or the Agent hereunder, and any taxes and other charges prior to the Lien of this Mortgage which the Issuer or the Agent may deem it wise to pay, and all expenses of such repairs and Improvements, and apply the remainder of the moneys so received in accordance with the provisions hereof.

(f) Notwithstanding anything herein contained to the contrary, to the extent permitted by law, the Institution and anyone claiming through or under the Institution (1) will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Series 2017 Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Series 2017 Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision hereof, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the Property so sold or any part thereof; (2) hereby expressly waive all benefit or advantage of any such law or laws; and (3) covenant not to hinder, delay or impede the execution of any power herein granted or delegated to the Agent, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Institution, for itself and all who may claim under it, waive, to the extent that they lawfully may, all right to have the Series 2017 Mortgaged Property marshaled upon any foreclosure hereof.

**Section 6.04 Appointment of Receivers.** Upon the occurrence of an Event of Default hereunder, the Agent shall be entitled, as a matter of right, without notice and without regard to the adequacy of any security for the debt secured hereby, to the appointment of a receiver or

receivers of the Series 2017 Mortgaged Property and of the revenues and receipts thereof, pending the conclusion of such proceedings and any appeal therefrom, with such powers as the court making such appointment shall confer. The receiver shall be entitled to occupational rent from an owner/occupant and may upon non-payment of said rent evict the owner/occupant.

**Section 6.05 Intentionally Omitted.**

**Section 6.06 Remedies Cumulative.** No remedy herein conferred upon or reserved to the Issuer or the Agent is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Mortgage or under any other Credit Document or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof or an acquiescence therein, and every right or remedy given by this Mortgage to the Issuer or the Agent may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agent to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Mortgage.

**Section 6.07 Termination of Proceedings.** In case any proceeding taken by the Agent on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Agent, then the Issuer, the Agent and the Institution shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer or the Agent shall continue as if no such proceeding had been taken.

**Section 6.08 Waiver and Non-Waiver of Event of Default.**

(a) The Agent may, in its discretion, agree to waive any Event of Default hereunder and its consequences and annul any acceleration in accordance herewith. No such waiver shall extend to or affect any other existing or any subsequent Event of Default.

(b) The failure of the Agent to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. The Institution shall not be relieved of its obligations hereunder by reason of (1) failure of the Agent to comply with any request of the Institution to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof; (2) the release, regardless of consideration, of the whole or any part of the Series 2017 Mortgaged Property; or (3) any agreement or stipulation by the Agent extending the time of payment or otherwise modifying or supplementing the terms of this Mortgage or any of the other Credit Documents. The Agent may resort for the payment of the Mortgage Indebtedness to any other security held by the Agent pursuant to the Credit Documents in such order and manner as the Agent, in its discretion, may elect. The Agent may take action to recover the Mortgage Indebtedness, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of the Agent thereafter to foreclose this Mortgage. The rights of the Agent under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of the Agent shall be construed as an election to

proceed under any one provision herein to the exclusion of any other provision. No waiver of any right of the Agent shall be effective unless it is in a writing signed by an officer of the Agent.

**Section 6.09 Repayment and Securing of Expenses Paid by the Agent.** In the event the Agent shall pay any premiums on any policies of insurance required to be maintained or procured by Section 4.02 hereof, or in the event the Agent shall expend any funds for the payment of any unpaid Taxes upon the Series 2017 Mortgaged Property, or expend any funds in payment of any unpaid installments under any applicable agreement for payments in lieu of taxes with any taxing entity, or pay or perform any other obligation of the Institution under any of the Credit Documents, then in any such event such payment shall be deemed to be secured by this Mortgage and amounts owing under the Continuing Covenants Agreement, and shall be payable in accordance with Section 6.1 of the Continuing Covenants Agreement to the Agent in the manner provided and with interest as provided herein or, if not so provided herein, shall be payable on demand with interest at the Default Rate in effect from time to time.

**Section 6.10 Other Actions by the Agent.** Regardless of the happening of an Event of Default, the Agent may institute and maintain such suits and proceedings as it shall deem necessary or expedient to prevent any impairment of the security under this Mortgage by any acts which may be unlawful or in violation of this Mortgage or to preserve or protect the interests of the Agent.

**Section 6.11 Repayment and Securing of Collection Costs Incurred by the Agent.**

(a) In the event this Mortgage or the Series 2017 Bonds or any of the other Credit Documents or all of the foregoing are placed in the hands of an attorney (1) for collection of any sum payable hereunder or thereunder, (2) for the foreclosure of this Mortgage, or (3) for the enforcement of any of the terms, conditions and obligations of this Mortgage or any of the other Credit Documents, the Institution agrees to pay all reasonable costs of collection (including reasonable attorneys' fees and expenses) incurred by the Agent, together with interest thereon at the Default Rate. All such costs as incurred shall be deemed to be secured by this Mortgage and collectible out of the proceeds of this Mortgage in any manner permitted by law or by this Mortgage.

(b) In addition to and not in limitation of the foregoing, in any action or proceeding to foreclose this Mortgage, or to recover or collect the debt secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall also apply. The expenses of pursuing, searching for, retaking, receiving, holding, storing, safe-guarding, any environmental testing and clean-up, insuring, accounting for, advertising, preparing for sale or lease, selling, leasing and the like, plus attorneys' fees, fees for certified public accountants, fees for auctioneers, fees for brokers or appraisers, fees for security guards, fees for environmental auditors and engineers, fees for hazard insurance premiums or any other costs or disbursements whatsoever incurred by or contracted for by the Agent in connection with the disposition of the Series 2017 Mortgaged Property (including any of the foregoing incurred or contracted for by the Agent in connection with any bankruptcy or insolvency proceedings involving the Institution) shall all be chargeable to the Institution and shall be secured by this Mortgage, and the Institution will also be responsible for any deficiency.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01 Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Mortgage or the other Credit Documents is intended or shall be construed to give to any Person, other than the Issuer, the Agent and their respective successors and assigns, any right, remedy or claim under or with respect to this Mortgage or any covenants, conditions and provisions herein contained. This Mortgage and all of the covenants, conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Agent.

#### **Section 7.02 Notices.**

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Mortgage must be in writing. Any notice or other communication shall be sufficiently given and deemed given (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified below and the appropriate answer back or confirmation of receipt is received, and (ii) if given by hand or reputable overnight delivery service or first-class mail, postage prepaid, addressed as specified below, when delivered.

(b) The addresses to which notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication hereunder shall be delivered are as follows:

(i) If to the Issuer:

Otsego County Capital Resource Corporation  
242 Main Street  
Oneonta, New York 13820  
Attention: Carolyn Lewis

and a copy to:

Kurt D. Schulte  
Attorney at Law  
12 Club Ave.  
Oneonta, New York 13820

(ii) If to the Institution:

Springbrook NY, Inc.  
2705 State Highway 28  
Oneonta, New York 13820-9753  
Attention: Wade Harman  
Chief Financial Officer

with a copy (which shall not constitute notice) to:

Bond Schoeneck & King, PLLC  
20 Corporate Woods Boulevard, Suite 501  
Albany, New York 12211  
Attention: Sarah Lewis Belcher, Esq.

(iii) If to the Agent:

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, New York, 13202  
Attention: Patrick R. Szalach  
Senior Vice President

with a copy (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, N.W., Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

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

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

(e) Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person or Persons entitled to receive such notice.

**Section 7.03 Counterparts.** This Mortgage may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 7.04 Applicable Laws.** This Mortgage shall be governed exclusively by the laws of the State.

**Section 7.05 Table of Contents and Section Headings Not Controlling.** The table of contents and the headings of the several articles and sections of this Mortgage 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 Mortgage.

**Section 7.06 Severability.**

(a) If any provision of this Mortgage 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 Mortgage shall not affect the remaining portions of this Mortgage or any part thereof.

**Section 7.07 Covenants Run with the Land.** All of the grants, covenants, terms, provisions and conditions herein shall run with the Land and shall apply to, bind and inure to the benefit of the parties hereto and their successors and assigns.

**Section 7.08 Amendment.** Neither this Mortgage nor any provisions hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Institution and the Agent.

**Section 7.09 Usury.** Notwithstanding anything to the contrary contained herein, in no event shall the total of all charges payable hereunder or under the Series 2017 Bonds, the Loan Agreement or any of the Credit Documents which are or could be held to be in the nature of interest exceed the maximum rate permitted to be charged under applicable Laws. Should the Holder or the Agent receive any payment which is or would be in excess of that permitted to be charged under any applicable Laws, such payment shall have been, and shall be deemed to have been, made in error and shall automatically be applied to reduce the Mortgage Indebtedness.

**Section 7.10 Intentionally Omitted.**

**Section 7.11 Tax Laws.** If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on this Mortgage, the Institution will pay, or cause to be paid, such tax, with interest and penalties thereon, if any.

**Section 7.12 Revenue Stamps.** If at any time any Governmental Authority shall require revenue or other stamps to be affixed to this Mortgage, the Institution will pay, or cause to be paid, the same, with interest and penalties thereon, if any.

**Section 7.13 Further Assurance.** The Institution will execute and the Institution will procure for the Issuer or the Agent and cause to be done any further conveyances, instruments or acts of further assurance as the Issuer or the Agent shall reasonably require to perfect the security of the Issuer or the Agent in the Series 2017 Mortgaged Property intended now or hereafter to be covered by this Mortgage or otherwise for carrying out the intention of facilitating the performance of the terms of this Mortgage.

**Section 7.14 Satisfaction of Mortgage.** Upon the payment in full of all of the amounts due under the Series 2017 Bonds, the Continuing Covenants Agreement and any Secured Hedge Agreement, if (a) there is no event of default under the Continuing Covenants Agreement, and (b) the Institution has paid or caused to be paid to the Agent all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the other Credit Documents, including, without limitation, all amounts owed under all indemnification provisions, the Agent, by acceptance of this Mortgage, agrees to execute and deliver any and all instruments necessary or appropriate to discharge the Lien of this Mortgage of record and to terminate the UCC-1 Financing Statements filed in connection with this Mortgage and the other Credit Documents.

**Section 7.15 Lien Law.** The Institution will receive the advances to be made hereunder subject to the trust provisions of Section 13 of the Lien Law of the State of New York, and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of constructing and reconstructing the Improvements constituting the Series 2017 Mortgaged Property, and will apply the same first to such payment before using any part of the same for any other purpose, but nothing herein shall be construed to impose upon the Agent any obligation to see to the proper allocation of such advances by the Institution.

**Section 7.16 Assignment of Leases and Rents.**

(a) The Institution hereby assigns to the Agent (i) rents, issues and profits of the Series 2017 Mortgaged Property and (ii) all rights of the Institution as a landlord of the Series 2017 Mortgaged Property under any licenses, leases or subleases (any of the foregoing hereinafter referred to as "*Lease*" and collectively hereinafter referred to as "*Leases*"), now or hereafter existing, of all or any part of the Series 2017 Mortgaged Property as further security for the payment of the Mortgage Indebtedness, and the Institution hereby grants to the Agent the right to enter upon and take possession of the Series 2017 Mortgaged Property for the purpose of collecting the same and to let the Series 2017 Mortgaged Property or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses on account of the Mortgage Indebtedness. This assignment and grant shall continue in effect until the Mortgage Indebtedness is paid. The Agent hereby waives the right to enter upon and to take possession of the Series 2017 Mortgaged Property for the purpose of collecting said rents, issues and profits, and the Institution shall be entitled to collect and receive said rents, issues and profits and apply same in payment of the amounts becoming due on the Mortgage Indebtedness and operating expenses related to the Series 2017 Mortgaged Property until the occurrence of an Event of Default hereunder. Upon the occurrence of an Event of Default hereunder, the Institution will pay monthly in advance to the Agent, or any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupancy of the Series 2017 Mortgaged Property or of such part thereof as may be in the possession of the Institution.

(b) The Institution shall not, without prior written consent of the Agent, which consent shall not be unreasonably withheld, make or suffer to be made, any Leases or cancel or modify any Leases or accept prepayments of installments of rent for a period of more than one month in advance or further assign the whole or any part of the rents without prior written consent of the Agent. No Lease or contract covering all or substantially all of the Series 2017



Mortgaged Property shall be valid or effective without the prior written approval of the Agent. The Agent shall have all of the rights against lessees of the Series 2017 Mortgaged Property as set forth in Section 291-f of the Real Property Law of the State. In respect of any Lease, the Institution will fulfill or perform each and every provision thereof on its part to be fulfilled or performed; promptly send copies of all notices of default which it shall send or receive therefrom to the Agent; and enforce the performance or observance of the provisions thereof. Nothing contained in this Mortgage shall be deemed to impose upon the Agent any of the obligations of the lessor, licensor or lessee under any Lease of the Series 2017 Mortgaged Property.

(c) The Institution will not waive, release, reduce or otherwise discharge or assign to any person, other than the Agent and the Issuer, the rents, issues and profits of the Series 2017 Mortgaged Property.

**Section 7.17 Assignment by the Issuer.** Simultaneously with the recordation of this Mortgage, the Issuer has assigned its interest in this Mortgage to the Agent.

**Section 7.18 No Recourse; Special Obligations.** Notwithstanding any statement or representation to the contrary contained herein or in any of the other documents executed by the Issuer, the obligations and agreements of the Issuer contained herein and in said documents and in any other instrument or document executed by the Issuer in connection therewith and any instrument or document executed by the Issuer supplemental thereto shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agency (other than the Institution) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Institution) and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State, or the Otsego County, New York and neither the State, nor the Otsego County, New York shall be liable hereon or thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Series 2017 Project Facility (except for revenues derived by the issuer with respect to the Unassigned Rights). No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (A) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and 10 days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than 10 days shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (B) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Institution) or employees shall be subject to potential liability the

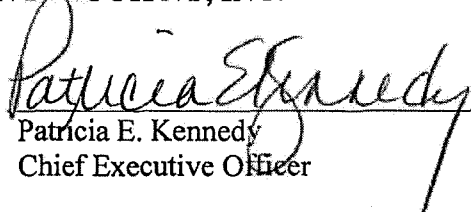
party seeking such order or decree shall (1) agree to indemnify and hold harmless the Issuer and its members, officers, agents (other than the Institution) and employees against any liability incurred as a result of its compliance with such demand and (2) if requested by the Issuer shall furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Institution) and employees against all liability expected to be incurred as a result of compliance with such request.

**Section 7.19 Building Loan Agreement.** This Mortgage is executed in conjunction with a Building Loan Agreement which is intended to be filed on even date with the recording of this Mortgage, and any breach, violation or default in the performance of any covenant required to be performed under the Building Loan Agreement shall be an Event of Default under this Mortgage.

**IN WITNESS WHEREOF**, the Institution has caused this Mortgage to be executed in its name by its duly authorized officer on March 24, 2017.

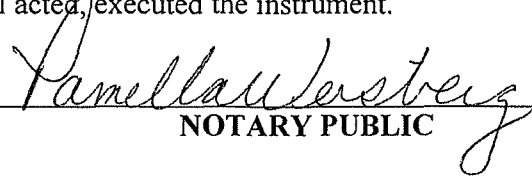
**SPRINGBROOK NY, INC.**

By:

  
\_\_\_\_\_  
Patricia E. Kennedy  
Chief Executive Officer

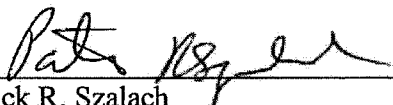
STATE OF NEW YORK     )  
  ) SS.:  
COUNTY OF ALBANY     )

On the 2<sup>nd</sup> day of March in the year 2017 before me, personally appeared Patricia E. Kennedy personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

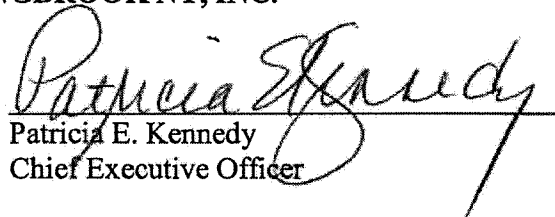
  
\_\_\_\_\_  
NOTARY PUBLIC

**Consent to Co-equal Mortgage.** Citizens Bank, N.A., formerly known as RBS Citizens, N.A. (the "Bank") hereby consents to the Lien of this Mortgage constituting a first mortgage Lien and pledge on the Mortgaged Property co-equal with the Lien and pledge of the Mortgage dated September 1, 2010, between the Institution and the Bank and recorded in the Otsego County Clerk's Office on September 28, 2010 in Instrument #2010-4472. The Bank hereby consents to the Lien of this Mortgage having priority over the Second Mortgage Assignment of Leases and Rents and Security Agreement dated March 25, 2014 and recorded in the Otsego County Clerk's Office on March 28, 2014 in Instrument #2014-1363. The Institution hereby acknowledges and agrees to the priorities set forth in this paragraph

**CITIZENS BANK, N.A.**


By:   
Patrick R. Szalach  
Senior Vice President

**SPRINGBROOK NY, INC.**

By:   
Patricia E. Kennedy  
Chief Executive Officer

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

On the 24th day of March in the year 2017 before me, personally appeared Patrick R. Szalach personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

SARAH LEWIS BELCHER  
Notary Public, State of New York  
No. 4502578  
Qualified in Albany County  
Commission Expires August 10, 20 17

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

On the 21<sup>st</sup> day of March in the year 2017 before me, personally appeared Patricia E. Kennedy personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



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**NOTARY PUBLIC**

SARAH LEWIS BELCHER  
Notary Public, State of New York  
No. 4902573  
Qualified in Albany County  
Commission Expires August 10, 20 17

## SCHEDULE A

### SCHEDULE OF DEFINITIONS

Capitalized terms used in this Mortgage and otherwise defined herein shall have the meaning given to such term in this Schedule of Definitions.

*Affiliate:* As such term is defined in the Continuing Covenants Agreement.

*Bank Hold Rate:* As such term is defined in the Continuing Covenants Agreement.

*Bank Purchase Rate:* As such term is defined in the Continuing Covenants Agreement

*Credit Documents:* When used with respect to the Continuing Covenants Agreement, the collective reference to the Continuing Covenants Agreement, the Series 2017 Bonds, the documents and instruments listed in Section 5.2 of the Continuing Covenants Agreement, and all the other documents and instruments entered into from time to time, evidencing or securing the obligations of the Institution hereunder and/or thereunder or any obligation of payment thereof or performance of the Institution's obligations in connection with the transaction contemplated hereunder, each as amended or supplemented from time to time.

*Default Rate:* While the Series 2017 Bonds bear interest at the Bank Purchase Rate or the Bank Hold Rate, a rate per annum equal to four percent (4%) per annum plus the Bank Purchase Rate or Bank Hold Rate, as applicable, otherwise payable with respect to the Series 2017 Bonds but shall not at any time exceed the highest rate permitted by law.

*Financing Documents:* As such term is defined in the Indenture.

*Governmental Authority:* Any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court, administrative tribunal, or public utility.

*Guarantor:* Upstate Home for Children Foundation, Inc. and its successors and assigns.

*Guaranty:* The Guaranty Agreement dated as of March 1, 2017, by the Guarantor in favor of the Agent, as amended, supplemented or otherwise modified from time to time.

*Holder:* Citizens Funding Corp., a New Hampshire corporation and any successors and assigns.

*Laws:* Collectively, all federal, state and local laws, statutes and regulations, including judicial opinions or precedential authority in the applicable jurisdiction.

*LIBOR Breakage Fee:* An amount as calculated by the Agent, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated



profits) that the Agent or Holder may sustain as a result of the purchase or redemption of all or a portion of the Series 2017 Bonds.

*Lien:* 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, the 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 and other similar title exceptions and encumbrances, including, but not limited to, mechanics', materialmen's, warehousemen's, carriers' and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any property that it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes.

*Permitted Encumbrances:* As such term is defined in the Continuing Covenants Agreement.

*Person:* An individual, a partnership, a corporation (including a business trust), a joint stock company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

*Pledged Collateral:* As such term is defined in the Continuing Covenants Agreement,

*Project:* As such term is defined in the recitals to this Mortgage.

*Property:* The Series 2017 Mortgaged Property and any cash and securities and all other property of the Institution, whether real or personal, tangible or intangible.

*Secured Hedge Agreements:* All transactions (a) to which the Agent is a party, (b) which are secured by the Pledged Collateral and (c) consisting of rate swap transactions, foreign exchange transactions, credit derivative transactions and commodity transactions, including, but not limited to, basis swaps, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

*Secured Hedge Obligations:* All obligations of the Institution arising from any and all Secured Hedge Agreements.

*State:* The State of New York.

*Unassigned Rights:* As such term is defined in the Indenture.

## EXHIBIT A

### DESCRIPTION OF THE LAND

#### PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;

- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing

77.3265 acres. PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South 03°21'23" East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of 09° 08'14";
- 3) South 12° 29'37" East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of 03°17'47";
- 5) South 09°11'50" East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

1) North 71°23'21" West 481.85 feet;

2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

1) North 39°34'28" East 621.08 feet;

2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

1) South 52°59'18" East 48.34 feet;

2) North 89°31'36" East 123.99 feet;

to the point of beginning.

## EXHIBIT B

### DESCRIPTION OF EQUIPMENT

All furniture, fixtures, machinery, equipment and other items of personal property and all appurtenances now or hereafter attached to, contained in or used in connection with the Series 2017 Mortgaged Property or the Project, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or hereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

**ASSIGNMENT OF  
BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT**

From

**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION,**  
a local development corporation existing under the laws of the State of New York,  
having its principal office at 189 Main Street, Oneonta, New York 13820,  
as Assignor

To

**CITIZENS BANK, N.A.,**  
a national banking association,  
having an office for the transaction of business at 250 Clinton Street, Syracuse, NY,  
as administrative agent of Citizens Funding Corp., and Assignee

Dated as of March 1, 2017

Otsego County Capital Resource Corporation

- (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017A in the aggregate principal amount of up to \$5,550,000;
- (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017B in the aggregate principal amount of up to \$500,000; and
- (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017C in the aggregate principal amount of up to \$4,450,000

Affecting that real property described in the Description of Land in Exhibit A to this  
Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement  
in the County of Otsego, State of New York

**HODGSON RUSS LLP**  
677 Broadway, Suite 301  
Albany, New York 12207  
Attention: A. Joseph Scott, III, Esq.

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**ASSIGNMENT OF  
BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES  
AND RENTS AND SECURITY AGREEMENT**

**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**, a local development corporation existing under the laws of the State of New York (the “**Assignor**”), having its principal office at 189 Main Street, Oneonta, New York 13820, party of the first part, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, paid to it by **CITIZENS BANK, N.A.** (the “**Assignee**”), as administrative agent of Citizens Funding Corp., serving as such under a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “**Bond Purchase Agreement**”), between the Assignor, the Assignee, Citizens Funding Corp., and Springbrook NY, Inc., (the “**Mortgagor**”), having an office for the transaction of business at 250 Clinton Street, Syracuse, New York, party of the second part, hereby assigns unto the Assignee all of the Assignor’s right, title and interest in and to that certain Series 2017 Mortgage, dated as of March 1, 2017 (the “**Mortgage**”), from the Mortgagor to the Assignor and the Assignee, as Mortgagees, securing the principal amount of \$10,500,000, which Mortgage encumbers that real property described in Appendix A attached hereto, and which are intended to be recorded simultaneously herewith in the appropriate offices of the Otsego County Clerk.

**TOGETHER** with the “**Obligations**”, as defined in and secured by the Mortgage, and the monies due and to become due thereunder with interest accrued thereon, but reserving to the Assignor the “**Issuer’s Reserved Rights**” under the Loan Agreement referred to in the Mortgage, which Issuer’s Reserved Rights may be enforced by the Assignor and the Assignee, jointly or severally.

**TO HAVE AND TO HOLD** the same unto the Assignee, its successors and assigns forever.

This Assignment is made without any representation or warranty whatsoever by the Assignor and upon the express condition, understanding and agreement that this Assignment is made without recourse to the Assignor, for any cause whatsoever, express or implied, by the Assignee, or by any successor to the interest of the Assignee in the Mortgage and the Obligations.

The Assignee is not acting as a nominee of the Mortgagor, and the Mortgage continues to secure bona fide obligations.

This Assignment shall be governed by and construed in accordance with the laws of the State of New York.

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[Execution Page of Assignment of Mortgage]

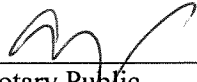
IN WITNESS WHEREOF, the Assignor by its duly authorized office, has executed this Assignment of Mortgage as of the 27<sup>th</sup> day of March, 2017.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

By:   
(Vice) Chairman

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

On the 23<sup>rd</sup> day of February, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared DEVIN S. MORGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
Notary Public  
**A. Joseph Scott III**  
**Notary Public, State of New York**  
**Qualified in Albany County**  
**No. 02SC4811591**  
**Commission Expires December 31, 2018**

**APPENDIX A**

**DESCRIPTION OF FACILITY REALTY**

- SEE ATTACHED -

## SCHEDULE A

### PARCEL I

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- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;

6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and

7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing 77.3265 acres.

#### PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

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- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

#### PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

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- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
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- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

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- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

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to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

#### PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

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- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

#### PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South 03°21'23" East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of 09° 08'14";
- 3) South 12° 29'37" East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of 03°17'47";
- 5) South 09°11'50" East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 71°23'21" West 481.85 feet;
- 2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 39°34'28" East 621.08 feet;
- 2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

- 1) South 52°59'18" East 48.34 feet;
- 2) North 89°31'36" East 123.99 feet;

to the point of beginning.



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**SPRINGBROOK NY, INC.**

and

**CITIZENS BANK, N.A., as administrative agent**

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**SECURITY AGREEMENT**

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Dated as of March 1, 2017

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Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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## SECURITY AGREEMENT

**THIS SECURITY AGREEMENT** (this “*Agreement*”), dated as of March 1, 2017, by and between **SPRINGBROOK NY, INC.**, a not-for-profit corporation organized under the laws of the State of New York having an office at 2705 State Highway 28, Oneonta, New York, 13820-9753 (the “*Institution*”) and **CITIZENS BANK, N.A.**, a national banking association having an office at 250 South Clinton Street, Syracuse, New York 13202, as administrative agent (the “*Agent*”) on behalf of Citizens Funding Corp. (the “*Holder*”).

THE MEANING OF CAPITALIZED TERMS (NOT OTHERWISE DEFINED)  
CAN BE DETERMINED BY REFERENCE TO SECTION I HEREOF

### WITNESSETH:

**WHEREAS**, at the request of Institution, Otsego County Capital Resource Corporation (the “*Issuer*”) issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in an aggregate principal amount of up to \$25,200,000 (the “*Initial Bonds*”) under the terms and conditions more fully set forth in a Trust Indenture dated as of September 1, 2010 (the “*Initial Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”); and

**WHEREAS**, the Issuer loaned the proceeds of the Initial Bonds to the Institution pursuant to a Loan Agreement dated as of September 1, 2010 (the “*Initial Loan Agreement*”); and

**WHEREAS**, Citizens Bank, N.A. (formerly known as RBS Citizens, N.A.) in its corporate capacity (the “*Bank*”) agreed to make a draw down loan facility evidenced by the Initial Bonds available to the Institution pursuant to a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the “*Initial Reimbursement Agreement*”); and

**WHEREAS**, at the request of the Institution, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A, in the aggregate principal amount of \$2,500,000 (the “*Series 2012A Bonds*”) under the terms and conditions more fully set forth in a Series 2012A Supplemental Indenture dated as of July 1, 2012 (the “*Series 2012A Supplemental Indenture*”), by and between the Issuer and the Trustee with the consent thereto by the Institution; and

**WHEREAS**, in connection with the issuance of the Series 2012A Bonds, the Issuer and the Institution with the consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2012A Amendment to Loan Agreement dated as of July 1, 2012 (the “*Series 2012A Amendment to Loan Agreement*”); and

**WHEREAS**, the Bank agreed to make a loan facility evidenced by the Series 2012A Bonds available to the Institution pursuant to the Supplement to Bond Purchase Agreement and Reimbursement Agreement dated as of July 1, 2012 (the “*Supplement to Reimbursement Agreement*” and together with the Initial Reimbursement Agreement, the “*Reimbursement Agreement*”); and

**WHEREAS**, the Institution has requested the Issuer issue one or more series of bonds under the Initial Indenture and a Series 2017 Supplemental Indenture dated as of March 1, 2017 (the “*Series 2017 Supplemental Indenture*” and collectively with the Initial Indenture, the Series 2012A Supplemental Indenture and the Series 2017 Supplemental Indenture, the “*Indenture*”), by and between the Issuer and the Trustee with consent thereto by the Institution to assist it with the financing of, among other things, a portion of the costs of the construction and equipping on the Institution’s main campus (the “*Main Campus*”) located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “*Land*”) of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “*Residence Project*”), and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the “*Network Project*” and collectively with the Residence Project, the “*Project*”); all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

**WHEREAS**, the Issuer has determined to issue the Series 2017 Bonds under the terms and conditions more fully set forth in a Series 2017 Supplemental Indenture; and

**WHEREAS**, in connection with the issuance of the Series 2017 Bonds, the Issuer and the Institution with consent of the Trustee amended the Initial Loan Agreement pursuant to the Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2012A Amendment to Loan Agreement and the Series 2017 Amendment to Loan Agreement and as further amended, modified or supplemented from time to time, the “*Loan Agreement*”);

**WHEREAS**, among other things, as security for the Institution’s obligations with respect to the Series 2017 Bonds under the Loan Agreement and this Agreement, the Institution has granted to the Issuer and the Agent the Mortgage pursuant to the Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “*Mortgage*”), by and among the Institution, as mortgagee and the Issuer and the Agent, as mortgagors, and the Issuer has assigned its interest in the Mortgage to the Agent; and

**WHEREAS**, in order to induce the Holder to enter into the Continuing Covenants Agreement and establish the draw down loan facility evidenced by the Series 2017A Bonds, the Institution is willing to enter into this Security Agreement for the benefit of the Agent; and

**WHEREAS**, pursuant to this Agreement, the Institution intends to grant to the Agent a first priority security interest in personal property of the Institution relating to or derived from the Series 2017A Mortgaged Property and revenues of the Institution;

**NOW, THEREFORE**, the parties hereto agree as follows:

**1. DEFINITION.** Capitalized words and terms used in this Agreement and not defined herein shall have the meanings assigned to them in the Continuing Covenants Agreement, except that all terms defined in the Uniform Commercial Code (“*UCC*”) of the State and used herein shall have the same definitions herein as specified therein.

As used herein, the term “*Credit Documents*” means the collective reference to the Continuing Covenants Agreement, the Series 2017 Bonds, the Mortgage, this Agreement, Secured Hedge Agreement, the documents and instruments listed in Section 5.2 of the Continuing Covenants Agreement and all the other documents and instruments entered into from time to time, evidencing or securing the obligations of Institution hereunder and/or thereunder or any obligation of payment thereof or performance of Institution’s obligations in connection with the transaction contemplated hereunder and thereunder, each as amended or supplemented from time to time.

As used herein, the term “*Equipment*” means the furniture, fixtures, machinery, equipment and other personal property described on Schedule B attached hereto.

As used herein, the term “*Gross Revenues*” means all issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursement and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Agent or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Series 2017 Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift;

As used herein, the term “*Mortgaged Property*” the Series 2017 Mortgaged Property, as defined in the Mortgage, all as more fully described in Schedule A attached hereto.

As used herein, the term “*Obligations*” means (i) (a) the payment of the principal of, premium, if any, redemption price, if any, LIBOR Breakage Fee, if any, and interest on the Series 2017 Bonds, according to the tenor and effect of the Series 2017 Bonds, (b) payment of all other sums required to be paid by the Institution under the Loan Agreement, Continuing Covenants Agreement or Credit Documents, (c) the performance and observance by the Institution of all of the covenants, agreements, representations and warranties herein and in the other Credit Documents, (d) payment by the Institution to the Agent of all sums expended or advanced by the Agent pursuant to any term, covenant or provision of this Agreement, (e) payment and performance of all Secured Hedge Obligations of the Institution (and any such obligation under a Secured Hedge Agreement shall be (i) deemed additional interest or related expense (to be determined in the sole discretion of the Agent) due in connection with the principal amount of the Indebtedness secured by this Agreement, (ii) included (in the manner described above) as part of the Obligations secured by this Agreement, and secured by this Agreement to the full extent thereof, and (iii) included in any judgment in any proceeding instituted by the Agent or its agents against the Institution for enforcement of this Agreement or otherwise) and (f) performance of each covenant, term and provision by the Institution to be performed pursuant to this Agreement

**2. GRANT OF SECURITY INTEREST.** The Institution hereby grants to the Agent as administrative agent of the Holder to secure the payment and performance in full of the Obligations, a security interest in and pledges to the Agent as administrative agent of the Holder the following property, assets and rights of the Institution, subject solely to Permitted Encumbrances consisting of Gross Revenues and Equipment; wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the “*Collateral*”).

**3. AUTHORIZATION TO FILE FINANCING STATEMENTS.** The Institution hereby irrevocably authorizes the Agent at any time and from time to time to file in any filing office in any UCC jurisdiction, at the Institution’s expense, any financing statements and amendments and continuations thereto that (a) indicate the Collateral (i) as all assets of the Institution or words of similar effect, regardless of whether any particular asset included in the Collateral falls within the scope of the UCC of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail; and (b) provide any other information required by the UCC of the State or such jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. The Institution agrees to furnish any such information to the Agent promptly upon the Agent’s request.

**4. OTHER ACTIONS.** Further to insure the attachment, perfection and first priority of, and the ability of the Agent to enforce, the Agent’s security interest in the Collateral, the Institution agrees, in each case at the Institution’s expense, to take the following actions with

respect to the following Collateral and without limitation of the Institution's other obligations contained in this Agreement:

**(a) *Promissory Notes and Tangible Chattel Paper.*** If the Institution shall at any time hold or acquire Collateral consisting of any promissory notes or tangible chattel paper, the Institution shall forthwith endorse and assign the same to the Agent and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify.

**(b) *Deposit Accounts.*** The Institution shall maintain a primary depository relationship, including corporate credit cards cash management services and merchant services, only with the Agent. If Institution desires to open a deposit account with any other institution, Institution, with the prior written consent of the Agent, which the Agent may withhold in the Agent's sole discretion, cause each deposit bank where the Institution at any time desires to open or maintain an account, to enter into an agreement in form and substance satisfactory to the Agent, which either (i) causes the depository bank to agree to comply, without further consent of the Institution, at any time with instructions from the Agent to such depository bank directing the disposition of funds from time to time credited to such deposit account, or (ii) arranges for the Agent to become the customer of the depository bank with respect to the deposit account, with the Institution being permitted, only with the consent of the Agent, to exercise rights to withdraw funds from such deposit account, provided that both options shall require the depository bank to subordinate its interest in such accounts to the interest of the Agent. The provisions of this paragraph shall not apply to (x) any deposit account for which the Institution, the depository bank and the Agent have entered into a cash collateral agreement specially negotiated among the Institution, the depository bank and the Agent for the specific purpose set forth therein, and (y) any deposit accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the Institution's salaried employees.

**(c) *Investment Property.*** If the Institution shall at any time hold or acquire any Collateral consisting of certificated securities, the Institution shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify. If any Collateral consisting of securities now or hereafter acquired by the Institution are uncertificated and are issued to the Institution or its nominee directly by the issuer thereof, the Institution shall immediately notify the Agent thereof and, at the request and option of the Agent, pursuant to an agreement in form and substance satisfactory to the Agent, either (i) cause the issuer to agree to comply, without further consent of the Institution or such nominee, at any time with instructions from the Agent as to such securities, or (ii) arrange for the Agent to become the registered owner of the securities. If any Collateral consisting of securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by the Institution are held by the Institution or its nominee through a securities intermediary or commodity intermediary, the Institution shall immediately notify the Agent thereof and, at the request and option of the Agent, pursuant to an agreement in form and substance satisfactory to the Agent, either (y) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply, in each case without further consent of the Institution or such nominee, at any time with entitlement orders or other instructions from the Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any

commodity contract as directed by the Agent to such commodity intermediary, or (z) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Agent to become the entitlement holder with respect to such investment property, with the Institution being permitted, only with the consent of the Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Agent agrees with the Institution that the Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by the Institution, unless an Event of Default has occurred and is continuing or, after giving effect to any such investment and withdrawal rights not otherwise permitted by the Series 2017 Financing Documents (as defined in the Indenture), would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Agent is the securities intermediary.

**(d) *Collateral in the Possession of a Bailee.*** If any Collateral is at any time in the possession of a bailee, the Institution shall promptly notify the Agent thereof and, at the request and option of the Agent, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to the Agent, that the bailee holds such Collateral for the benefit of the Agent and such bailee's agreement to comply, without further consent of the Institution, at any time with instructions of the Agent as to such Collateral. The Agent agrees with the Institution that the Agent shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Institution with respect to the bailee.

**(e) *Electronic Chattel Paper.*** If the Institution at any time holds or acquires any Collateral consisting of an interest in any electronic chattel paper, the Institution shall promptly notify the Agent thereof and, at the request and option of the Agent, shall take such action as the Agent may reasonably request to vest in the Agent control, under the UCC, of such electronic chattel paper. The Agent agrees with the Institution that the Agent will arrange, pursuant to procedures satisfactory to the Agent and so long as such procedures will not result in the Agent's loss of control, for the Institution to make alterations to the electronic chattel paper permitted under the UCC for a party in control to make without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Institution with respect to such electronic chattel paper.

**(f) *Letter-of-Credit Rights.*** If the Institution is at any time a beneficiary under Collateral consisting of a letter of credit now or hereafter, the Institution shall promptly notify the Agent thereof, and at the request and option of the Agent, the Institution shall, pursuant to an agreement in form and substance satisfactory to the Agent, either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to the Agent of the proceeds of the letter of credit, or (ii) arrange for the Agent to become the transferee beneficiary of the letter of credit.

**(g) *Commercial Tort Claims.*** If the Institution shall at any time hold or acquire Collateral consisting of a commercial tort claim, the Institution shall immediately notify the Agent in a writing signed by the Institution of the particulars thereof and grant to the Agent in such writing a co-equal first priority security interest therein and in the proceeds thereof, all

upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Agent.

**(h) Other Actions as to Any and All Collateral.** The Institution further agrees, upon request of the Agent and at the Agent's option, to take any and all other actions as the Agent may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Agent to enforce, the Agent's security interest in any and all of the Collateral, including, without limitation, (i) delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC, to the extent, if any, that the Institution's signature thereon is required therefor; (ii) causing the Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the Agent's security interest in such Collateral; (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the Agent's security interest in such Collateral; (iv) obtaining governmental and other third-party waivers, consents and approvals in form and substance satisfactory to the Agent, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral; (v) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Agent; and (vi) taking all actions under any earlier versions of the UCC or under any other law, as reasonably determined by the Agent to be applicable in any relevant UCC or other jurisdiction, including any foreign jurisdiction.

**5. RELATION TO OTHER DOCUMENTS.** The provisions of this Agreement supplement the provisions of the Mortgage or any other real estate mortgage granted by the Institution to the Agent and which secures the payment or performance of any of the Obligations. Nothing contained in the Mortgage or any such real estate mortgage shall derogate from any of the rights or remedies of the Agent hereunder. In addition to the provisions of this Agreement being so read and construed with any such mortgage, the provisions of this Agreement shall be read and construed with the other Credit Documents.

**6. REPRESENTATIONS AND WARRANTIES CONCERNING INSTITUTION'S LEGAL STATUS.** The Institution represents and warrants to the Agent as follows: (a) it is a not-for-profit corporation which is duly organized, validly existing and in good standing under the laws of the State and is validly existing and in good standing in all states in which the Institution is doing business; (b) it has full power and authority to own its properties and to transact the businesses in which it is presently engaged or presently proposes to engage; (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Institution; and (d) this Agreement constitutes, and any instrument or agreement required hereunder to be given by the Institution to the Agent when delivered will constitute, the legal, valid and binding obligation of the Institution, enforceable against the Institution in accordance with their respective terms.

**7. COVENANTS CONCERNING INSTITUTION'S LEGAL STATUS.** The Institution covenants to and with the Agent as follows: (a) except as set forth in Schedule 7 attached hereto, there is no pending or threatened litigation, claim for infringement, proceeding or investigation by any governmental authority or any other person known to the Institution



against or otherwise affecting the Institution or any of its assets or its officers, directors or agents in their capacities as such, nor does the Institution know of any ground for any such litigation, infringement claims, proceedings or investigations; (b) no contract or organizational document prohibits any term or condition of this Agreement; (c) the execution and delivery of this Agreement will not violate any law or agreement governing the Institution or to which the Institution is a party; and (d) all information and statements furnished in connection with the Credit Documents, and any other documents related to this secured transaction, are true and correct, and contain no false or misleading statement.

**8. REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL AND SECURITY AGREEMENT.** The Institution further represents and warrants to the Agent as follows: (a) the Institution is the owner of the Collateral, free from any right or claim of any person or any adverse lien, security interest or other encumbrance, except for the security interest created by the Permitted Encumbrances; (b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in the UCC of the State; (c) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority covered by the federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral; (d) the Institution holds no commercial tort claim; (e) the Institution has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances; (f) no Event of Default has occurred under the Reimbursement Agreement; and (g) all other information set forth in this Agreement pertaining to the Collateral is accurate and complete.

**9. COVENANTS CONCERNING COLLATERAL.** The Institution further covenants with the Agent as follows: (a) the Collateral, to the extent not delivered to the Agent pursuant to Section 2 or 4 above, will be kept at those locations listed on Schedule 9 attached hereto, and the Institution will not remove the Collateral from such locations without providing at least thirty (30) days' prior written notice to the Agent; (b) except for the security interest granted herein and in the Permitted Encumbrances, the Institution shall be the owner of the Collateral free from any right or claim of any other person or any lien, security interest or other encumbrance, and the Institution shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Agent; (c) the Institution shall not pledge, mortgage or create or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien or other encumbrance in the Collateral in favor of any person, other than the Agent, except for the Permitted Encumbrances or as permitted by the Continuing Covenants Agreement; (d) the Institution will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon; (e) the Institution will permit the Agent or its designees to inspect the Collateral at any reasonable time, wherever located; (f) the Institution will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement; (g) the Institution will continue to operate its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances; (h) the Institution will not

sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for (i) sales of inventory in the ordinary course of business, and (ii) so long as no Event of Default (as defined below) has occurred and is continuing, sales or other dispositions of obsolete items of equipment in the ordinary course of business; and (i) there are no off-sets or defenses to the Obligations.

**10. COLLATERAL PROTECTION EXPENSES; PRESERVATION OF COLLATERAL.**

(a) *Expenses Incurred by the Agent.* In the Agent's discretion, if the Institution fails to do so, the Agent may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees or insurance premiums. The Institution agrees to reimburse the Agent on demand for all expenditures so made. The Agent shall have no obligation to the Institution to make any such expenditures, nor shall the making thereof be construed as a waiver or cure any Event of Default.

(b) *The Agent's Obligations and Duties.* Anything herein to the contrary notwithstanding, the Institution shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by the Institution thereunder. The Agent shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Agent of any payment relating to any of the Collateral, nor shall the Agent be obligated in any manner to perform any of the obligations of the Institution under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Agent in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Agent or to which the Agent may be entitled at any time or times. The Agent's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under the UCC of the State or otherwise, shall be to deal with such Collateral in the same manner as the Agent deals with similar property for its own account.

**11. SECURITIES AND DEPOSITS.** The Agent may at any time following and during the continuance of an Event of Default, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations in accordance with the Continuing Covenants Agreement. Whether or not any Obligations are due, the Agent may, following and during the continuance of an Event of Default, demand, sue for, collect or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Agent to the Institution may at any time be applied to or set off against any of the Obligations then due and owing.

**12. NOTIFICATION TO ACCOUNT DEBTORS AND OTHER PERSONS OBLIGATED ON COLLATERAL.** If an Event of Default shall have occurred and be continuing, the Institution shall, at the request and option of the Agent, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Agent in any

account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Agent or to any financial institution designated by the Agent as the Agent's agent therefor, and the Agent may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon the Institution, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Institution shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Institution or the Agent without commingling the same with other funds of the Institution and shall turn the same over to the Agent in the identical form received, together with any necessary endorsements or assignments. The Agent shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Agent to the Obligations in accordance with the Continuing Covenants Agreement, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

### **13. POWER OF ATTORNEY.**

(a) *Appointment and Powers of the Agent.* The Institution hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact, with full irrevocable power and authority in the place and stead of the Institution or in the Agent's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Institution, without notice to or assent by the Institution, to do the following:

(i) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC of the State and as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Institution's expense, at any time or from time to time, all acts and things which the Agent deems necessary or useful to protect, preserve or realize upon the Collateral and the Agent's security interest therein, in order to effect the intent of this Agreement, all no less fully and effectively as the Institution might do, including, without limitation, (A) the filing and prosecuting of registration and transfer applications with the appropriate federal, state or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes; (B) upon written notice to the Institution, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Agent so elects, with a view to causing the liquidation of assets of the issuer of any such securities; and (C) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(ii) to the extent that the Institution's authorization given in Section 3 above is not sufficient, to file financing statements with respect hereto or a photocopy of

this Agreement in substitution for a financing statement, as the Agent may deem appropriate.

(b) ***Ratification by Institution.*** To the extent permitted by law, the Institution hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

(c) ***No Duty on the Agent.*** The powers conferred on the Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Agent shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Institution for any act or failure to act, except for the Agent's own gross negligence or willful misconduct.

**14. EVENTS OF DEFAULT DEFINED.** The following shall be "Events of Default" under this Agreement and the terms "*Event of Default*" or "*default*" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) a default in the due and punctual payment of principal of and premium, if any, LIBOR Breakage Fee, if any, and interest on, the Series 2017 Bonds;

(b) failure (i) of the Institution or of the Guarantor to observe or perform any of the other covenants or conditions by the Institution or the Guarantor to be performed under the terms of this Agreement, the Series 2017 Bonds, any Secured Hedge Agreement, any Credit Document or the Guaranty concerning the payment of money, for a period of ten (10) days after written notice from the Agent that the same is due and payable; or (ii) of the Institution or of the Guarantor for a period of thirty (30) days after written notice from the Agent, to observe or perform any non-monetary covenant or condition contained in this Agreement, the Series 2017 Bonds, any Secured Hedge Agreement, any Credit Documents or the Guaranty *provided that* if any such failure concerning a non-monetary covenant or condition is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, then the Institution or the Guarantor, as the case may be, shall have an additional thirty (30) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as the Institution or Guarantor commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting 60 day period from the date of the Agent's notice; *provided further* that if a different notice or grace period is specified under any other subsection of this Article with respect to a particular breach, or if another subsection of this Article applies to a particular breach and does not expressly provide for a notice or grace period, the specific provision shall control;

(c) an Event of Default under the Continuing Covenants Agreement or any other Credit Document;

(d) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the Series 2017 Bonds or the

Holder to establish the draw down loan facility, or made or furnished, at any time, in or pursuant to the terms of this Agreement or otherwise by the Institution, shall prove to have been false or misleading in any material respect when made;

(e) the Institution or any Guarantor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of any of its assets; (ii) admit in writing its inability to pay its debts as they mature; (iii) make a general assignment for the benefit of creditors; (iv) be adjudicated bankrupt or insolvent; or (v) file a voluntary petition in bankruptcy, or a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation by law or statute, or an answer admitting the material allegations of a petition filed against the Institution in any proceeding under any such law or the filing of an involuntary bankruptcy against the Institution, or if corporate action shall be taken by the Institution for the purpose of effecting any of the foregoing;

(f) an order, judgment or decree shall be entered, without the application, approval or consent of the Institution or any Guarantor, by any court of competent jurisdiction, approving a petition seeking reorganization of the Institution or any Guarantor, or of all or a substantial part of any of its respective properties or assets or appointing a receiver, trustee or liquidator of the Institution or any Guarantor and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) days;

(g) the Institution shall conceal, remove or permit to be concealed or removed any part of its Property with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;

(h) the Collateral, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, except as is expressly provided in the Continuing Covenants Agreement, or the Institution threatens to encumber, assign, lease, sublease, sell, transfer or convey the Collateral, or any part thereof, to any person except as is expressly provided in the Continuing Covenants Agreement; or

(i) the imposition of a Lien on the Collateral other than a Lien being contested as provided herein or a Permitted Encumbrance.

**15. RIGHTS AND REMEDIES.** If any Event of Default shall occur, the Agent may, at its election, and without demand or notice of any kind, do any one or more of the following:

(a) declare all of the Obligations to the Agent and the Holder to be immediately due and payable, whereupon all unpaid principal, interest and fees in respect of such Obligations, together with all of the reasonable costs, expenses and attorneys' fees of the Holder and the Agent related thereto, under the terms of the Credit Documents or otherwise, shall be immediately due and payable;

(b) exercise any and all rights and remedies available to the Agent under any applicable law; or

(c) exercise any and all rights and remedies granted to the Agent under the terms of this Agreement or any of the other Credit Documents;

In any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the Agent shall have the rights and remedies of a secured party under the UCC of the State and additional rights and remedies as may be provided to a secured party in the jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose, the Agent may, so far as the Institution can give authority therefor, enter upon premises on which the Collateral may be situated and remove the collateral therefrom. The Agent may in its discretion require the Institution to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Institution's principal office(s) or at such other locations as the Agent may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type custom sold on a recognized market, the Agent shall give to the Institution at least at ten (10) days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Institution hereby acknowledges that ten (10) days' prior written notice of such sale or sales shall be reasonable notice. In addition, the Institution waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Agent's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of Collateral and to exercise its rights and remedies with respect thereto. The Agent may also have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all rights of Agent under this Agreement.

The remedies in this Section are in addition to, not in limitation of, any other right, power, privilege or remedy, either in law, in equity, or otherwise, to which the Agent may be entitled. No failure or delay on the part of the Agent in exercising any right, power or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. The remedies in this Agreement are in addition to, not in limitation of, any other right, power, privilege or remedy, either in law, in equity, or otherwise, to which the Agent may be entitled. All of the Agent's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or document, shall be cumulative and may be exercised singularly or concurrently.

**16. STANDARDS FOR EXERCISING RIGHTS AND REMEDIES.** To the extent that applicable law imposes duties on the Agent to exercise remedies in a commercially reasonable manner, the Institution acknowledges and agrees that it is not commercially unreasonable for the Agent (a) to fail to incur expenses reasonably deemed significant by the

Agent to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition; (b) to fail to obtain third-party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third-party consents for the collection or disposition of Collateral to be collected or disposed of; (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral; (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (f) to contact other persons, whether or not in the same business as the Institution, for expressions of interest in acquiring all or any portion of the Collateral; (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets; (i) to dispose of assets in wholesale rather than retail markets; (j) to disclaim disposition warranties; (k) to purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of Collateral or to provide to the Agent a guaranteed return from the collection or disposition of Collateral; or (l) to the extent deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any of the Collateral. The Institution acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by the Agent would fulfill the Agent's duties under the UCC of the State or any other relevant jurisdiction in the Agent's exercise of remedies against the Collateral and that other actions or omissions by the Agent shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to the Institution or to impose any duties on the Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

**17. NO WAIVER BY THE AGENT.** The Agent shall not be deemed to have waived any of its rights and remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Agent. No delay or omission on the part of the Agent in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Agent with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Agent deems expedient.

**18. SURETYSHIP WAIVERS BY THE INSTITUTION.** The Institution waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Institution assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest

in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Agent may deem advisable. The Agent shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 10(b) above. The Institution further waives any and all other suretyship defenses.

**19. MARSHALLING.** The Agent shall not be required to marshal any present or future collateral security (including, but not limited to, the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, the Institution hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and to the extent that it lawfully may, the Institution hereby irrevocably waives the benefits of all such laws.

**20. PROCEEDS OF DISPOSITIONS; EXPENSES.** The Institution shall pay to the Agent on demand any and all reasonable expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Agent in protecting, preserving or enforcing the Agent's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After application to said expenses in accordance with the Continuing Covenants Agreement, the residue of any proceeds of collection or sale or other disposition of Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as required under the Continuing Covenants Agreement. In the absence of final payment and satisfaction in full of all of the Obligations, the Institution shall remain liable for any deficiency.

**21. OVERDUE AMOUNTS.** Until paid, all amounts due and payable by the Institution hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the Default Rate.

**22. GOVERNING LAW; CONSENT TO JURISDICTION.** This Agreement shall be governed by, and construed in accordance with, federal law applicable to the Agent and to the extent not preempted by federal law, the laws of the State of New York, without reference to conflicts-of-laws principles. The Institution hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or federal court sitting in Albany County over any action or proceeding arising out of or relating to this Agreement, or any document related to the Obligations, and the Institution hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court. The Institution hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.



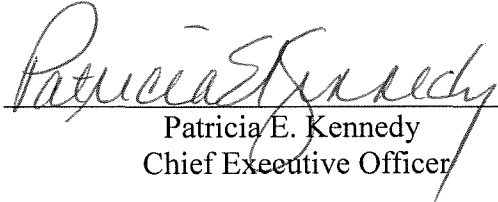
**23. WAIVER OF JURY TRIAL. THE INSTITUTION AND THE AGENT EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE AGENT AND THE INSTITUTION ARISING OUT OF, IN CONNECTION WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY PROMISSORY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.**

**24. NOTICES.** All notices, requests, demands or other communications provided for hereunder shall be in writing and, if to the Institution, mailed or delivered to it, addressed to it at the address specified in the preamble of this Agreement or, if to the Agent, mailed or delivered to it, addressed to the address of the Agent specified in the preamble of this Agreement. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or forty-eight (48) hours after being deposited in the mail with postage prepaid, by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices from the Institution to the Agent pursuant to any of the provisions hereof shall not be effective until received by the Agent.

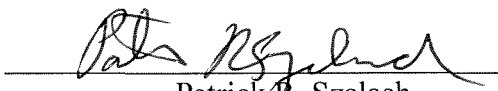
**25. MISCELLANEOUS.** The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Institution and its successors and assigns, and shall inure to the benefit of the Agent and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Institution acknowledges receipt of a copy of this Agreement.

**IN WITNESS WHEREOF**, intending to be legally bound, the Institution and the Agent caused this Security Agreement to be duly executed as of the date first above written.

**SPRINGBROOK NY, INC.**

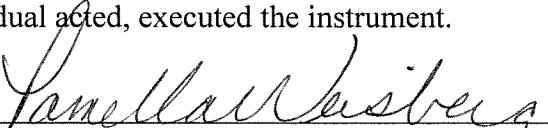
By:   
Patricia E. Kennedy  
Chief Executive Officer

**CITIZENS BANK, N.A.**

By:   
Patrick R. Szalach  
Senior Vice President

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

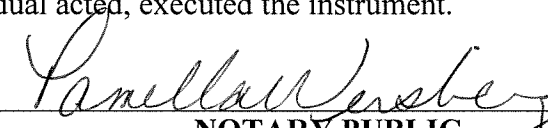
On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **PATRICIA E. KENNEDY**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

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

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **PATRICK R. SZALACH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

**SCHEDULE A**

**LEGAL DESCRIPTION OF MORTGAGED PROPERTY**

**INITIAL MORTGAGED PROPERTY:**

## EXHIBIT A

### DESCRIPTION OF THE LAND

#### PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;

- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing

77.3265 acres. PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North  $17^{\circ} 59' 28''$  West 186.55 feet;
- 2) North  $77^{\circ} 49' 10''$  East 68.20 feet;
- 3) South  $17^{\circ} 59' 28''$  East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South  $73^{\circ} 36' 05''$  West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South  $03^{\circ} 21' 23''$  East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of  $09^{\circ} 08' 14''$ ;
- 3) South  $12^{\circ} 29' 37''$  East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of  $03^{\circ} 17' 47''$ ;
- 5) South  $09^{\circ} 11' 50''$  East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:



1) North  $71^{\circ}23'21''$  West 481.85 feet;

2) North  $70^{\circ}30'00''$  West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

1) North  $39^{\circ}34'28''$  East 621.08 feet;

2) North  $00^{\circ}32'31''$  East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South  $83^{\circ}52'42''$  East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

1) South  $52^{\circ}59'18''$  East 48.34 feet;

2) North  $89^{\circ}31'36''$  East 123.99 feet;

to the point of beginning.

## **SCHEDULE B**

All furniture, fixtures, machinery, equipment and other items of personal property and all appurtenances now or hereafter attached to, contained in or used in connection with the Project, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or hereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

**SCHEDULE 7**

**PENDING LITIGATION**

Andrew Minet v. Springbrook NY, Inc.

**SCHEDULE 9**

**LOCATION OF COLLATERAL**

2705 State Highway 28, Oneonta, New York 13820-9753  
Otsego County, New York

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**UPSTATE HOME FOR CHILDREN FOUNDATION, INC.**

to

**CITIZENS FUNDING CORP.**

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**GUARANTY**

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Dated as of March 1, 2017

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Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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and is for convenience of reference only.)

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## GUARANTY

**THIS GUARANTY** dated as of March 1, 2017 (this “*Guaranty*”) from **UPSTATE HOME FOR CHILDREN FOUNDATION, INC.**, a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 2705 State Highway 28, Oneonta, New York 13820-9753 (the “*Guarantor*”), to Citizens Funding Corp., a New Hampshire corporation having an office for the transaction of business at 250 South Clinton Street, Syracuse, New York 13202 (the “*Holder*”).

### WITNESSETH:

**WHEREAS**, the Guarantor was established for the benefit of Springbrook NY, Inc. (the “*Institution*”); and

**WHEREAS**, at the request of the Institution, Otsego County Capital Resource Corporation (the “*Issuer*”) issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A (the “*Series 2017A Bonds*”) in the aggregate principal amount of up to \$5,550,000, the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B (the “*Series 2017B Bonds*”) in the aggregate principal amount of up to \$500,000 and the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds, (The Springbrook NY, Inc. Project), Series 2017C (the “*Series 2017C Bonds*” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “*Series 2017 Bonds*”) in the aggregate principal amount of up to \$4,450,000, under the terms and conditions more fully set forth in a trust indenture dated as of September 1, 2010 (the “*Initial Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), as supplemented by Series 2017 Supplemental Indenture dated as of February 1, 2017 (the “*Series 2017 Supplemental Indenture*” and the Initial Indenture as supplemented thereby and as amended or supplemented prior to the date hereof and from time to time, the “*Indenture*”), by and between the Issuer and the Trustee; and

**WHEREAS**, the Issuer issued the Series 2017 Bonds to assist the Institution with the financing of a portion of the costs of the construction and equipping on the Institution’s main campus (the “*Main Campus*”) located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “*Land*”) of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “*Residence Project*”), the costs of which are to be financed with the Series 2017A Bonds; and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the “*Network Project*” and collectively with the Residence Project, the “*Project*”), the costs of which are to be financed with the Series 2017B Bonds; all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and



**WHEREAS**, the Issuer loaned the proceeds of the Series 2017 Bonds to the Institution pursuant to a loan agreement dated as of September 1, 2010 (the “*Initial Loan Agreement*”), as amended by Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2017 Amendment to Loan Agreement and as amended, modified or supplemented prior to the date hereof and from time to time, the “*Loan Agreement*”), by and between the Issuer and the Institution; and

**WHEREAS**, the Holder agreed to establish a draw down loan facility evidenced by the Series 2017 Bonds pursuant to a Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “*Continuing Covenants Agreement*”), by and among the Issuer, the Institution, the Holder and the Agent; and

**WHEREAS**, pursuant to the Continuing Covenants Agreement, the Holder appointed the Agent as administrative agent for the benefit of the Holder, with respect to administration of the draw down loan facility and the Continuing Covenants Agreement; and

**WHEREAS**, a condition precedent to the establishment of a draw down loan facility evidenced by of the Series 2017 Bonds by the Holder in the Continuing Covenants Agreement is that the Guarantor guarantee the payment and performance of the Institution’s obligations with respect to the Series 2017 Bonds; and

**WHEREAS**, the Guarantor desires to enter into this Guaranty so that the Institution’s obligations to pay and to perform all obligations under the Series 2017 Bonds, the Continuing Covenants Agreement, the Loan Agreement and the other Credit Documents, as that term is defined in the Continuing Covenants Agreement, will be guaranteed by the Guarantor;

**NOW, THEREFORE**, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor does hereby, subject to the terms hereof, covenant and agree with the Holder as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.1. Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the same meanings assigned to such terms in the Continuing Covenants Agreement.

**Section 1.2. Accounting Principles.** Where the character or amount of any asset or liability or item of income or expense is required to be determined or consolidated or other accounting computation is required to be made for the purposes of this Guaranty, such determination, consolidation or computation shall be made in accordance with generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Guaranty.

**Section 1.3. Directly or Indirectly.** Where any provision of this Guaranty refers to action to be taken by any Person, or prohibits any Person from taking certain action, such provision shall be applicable whether such action is to be taken or is not to be taken directly or indirectly by such Person.

**Section 1.4. Governing Law.** This Guaranty shall be governed by, and construed in accordance with, federal law applicable to the Holder and to the extent not preempted by federal law, the laws of the State of New York.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

The Institution hereby represents, warrants and covenants to the Holder as follows:

**Section 2.1. Authority of the Guarantor.** The Guarantor:

(A) is duly organized and validly existing as a not-for-profit corporation under the laws of the State of New York;

(B) has all requisite power and authority and all necessary licenses and permits to own its Property (as defined in the Indenture) and to carry on its business as now conducted and as presently proposed to be conducted;

(C) is duly qualified and authorized to do business and is in good standing as a not-for-profit corporation in the State and in each other jurisdiction where the character of its Property and facilities or the nature of its activities makes such qualifications necessary; and

(D) has the lawful authority to enter into this Guaranty and by proper approval by its board of directors has been duly authorized to execute, deliver and perform this Guaranty.

**Section 2.2. No Violation of Restrictions.** None of the execution and delivery of this Guaranty, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Guaranty will conflict with or result in a breach of any of the terms, conditions or provisions of the Guarantor's certificate of incorporation or its by-laws, or any agreement, judgment or order to which the Guarantor is a party or by which the Guarantor is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any Lien (as defined in the Indenture) of any nature whatsoever upon any of the Property (as defined in the Indenture) of the Guarantor under the terms of any such instrument or agreement.

**Section 2.3. Governmental Consent.** No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority on the part of the Guarantor is required as a condition to its execution, delivery or performance of this Guaranty by the Guarantor.

**Section 2.4. Property.** The Guarantor has good title to all of its Property and assets.

**Section 2.5. Pending Litigation.** There are no proceedings pending or, to the knowledge of the Guarantor, threatened against, or affecting, the Guarantor in any court or before any Governmental Authority or arbitration board or tribunal which involve the possibility of materially and adversely affecting the Property, facilities, businesses, prospects, profits or conditions (financial or otherwise) of the Guarantor or the ability of the Guarantor to execute, deliver or perform this Guaranty. The Guarantor is not in default with respect to any order of any court, Governmental Authority or arbitration board or tribunal. The Guarantor shall notify the Holder in writing of any such proceeding or default arising subsequent to the Closing Date.

**Section 2.6. No Defaults.** No event has occurred and no condition exists which constitute an Event of Default under Article IV of the Amended and Restated Guaranty dated as of July 1, 2012, given by the Guarantor to Citizens Bank, N.A. (formerly known as RBS Citizens, N.A.). The Guarantor is not in violation in any material respect of any term of any agreement, certificate of incorporation, by-law or other instrument to which the Guarantor is a party or by which the Guarantor may be bound.

**Section 2.7. Taxes.** All tax returns required to be filed by the Guarantor in all jurisdictions have in fact been filed. All taxes, assessments, fees and other governmental charges imposed upon the Guarantor or any Property, income or franchises of the Guarantor which are due and payable have been paid, except for any taxes, assessments, fees and other governmental charges which the Guarantor may be contesting in good faith, the nonpayment of which will not materially adversely affect the Property, business, prospects, profits or condition (financial or otherwise) of the Guarantor or the ability of the Guarantor to execute, deliver or perform this Guaranty. The Guarantor does not know of any proposed additional tax assessment against it. The Guarantor shall notify the Agent in writing of any taxes, assessments, fees or government charges which it contests after the Closing Date.

**Section 2.8. Compliance with Law.** The Guarantor:

- (A) is not in violation of any Laws to which the Guarantor is subject; and
- (B) has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its Property or to the conduct of its businesses which violation or failure to obtain might materially adversely affect such Property or businesses (financial or otherwise).

## **ARTICLE III**

### **COVENANTS AND AGREEMENTS OF THE GUARANTOR**

**Section 3.1. Guaranty of Payment.**

(A) The Guarantor hereby irrevocably and unconditionally guarantees to the Holder (1) the payment of the principal of, premium, if any, on, redemption price, if any, of, and LIBOR Breakage Fee, if any, and interest on the Series 2017 Bonds, according to the tenor and effect of the Series 2017 Bonds, (2) payment of all other sums required to be paid by the Institution under the Loan Agreement, Continuing Covenants Agreement or Credit Documents, (3) the

performance and observance by the Institution of all of the covenants, agreements, representations and warranties herein and in the other Credit Documents, (4) payment by the Guarantor to the Holder and the Agent of all sums expended or advanced by the Holder or the Agent pursuant to any term, covenant or provision of this Guaranty, (5) payment and performance of all Secured Hedge Obligations of the Institution, and (6) performance of each covenant, term and provision by the Institution to be performed pursuant to this Guaranty (collectively, the “Debt”). The Guarantor hereby irrevocably and unconditionally agrees that, upon the demand for payment of any of the Debt, the Guarantor will promptly pay the same.

(B) This Guaranty is intended by the Guarantor to be an evidence of indebtedness of the Guarantor to the Holder within the meaning of 12 U.S.C. § 24(7) and a primary obligation of the Guarantor to pay the Debt in accordance with the terms thereof, whether by acceleration or otherwise.

(C) All payments by the Guarantor shall be made in lawful money of the United States of America.

(D) Each and every default in payment of the Debt shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the Holder or the Agent as administrative agent for the Holder as each cause of action arises.

(E) The Guarantor shall pay to the Agent all fees and reasonable costs and expenses (including legal fees and expenses) incurred by the Holder or the Agent in the protection of its rights or in the pursuance of its remedies in respect of this Guaranty.

**Section 3.2. Obligations Unconditional.** The obligations of the Guarantor under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire Debt shall have been irrevocably paid in full, and, to the extent permitted by law, such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of the Guarantor:

(A) the invalidity, irregularity, illegality or unenforceability of, or any defect in, (1) the Continuing Covenants Agreement, (2) any other Credit Document, or (3) any collateral security for any thereof;

(B) any present or future law or order of any Governmental Authority (*de jure* or *de facto*) purporting to reduce, amend or otherwise affect the Continuing Covenants Agreement or any other Credit Document or any other obligation of the Institution, or to vary any terms of payment;

(C) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of (1) the Institution under any of the Credit Documents, or (2) the Guarantor under this Guaranty;

(D) the failure to give notice to the Guarantor of the occurrence of an Event of Default under any Credit Document;

(E) the transfer, assignment or mortgaging, or the purported or attempted transfer, assignment or mortgaging, of all or any part of the interest of the Institution in the Project Facility or any failure of or defect in the title with respect to the Institution's interest in the Project Facility, or the termination of the Loan Agreement;

(F) the release, sale, exchange, surrender or other change in any security for payment of the Obligations;

(G) the extension of the time for payment of any principal of or interest or premium of the Debt or under this Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the other Credit Documents;

(H) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Continuing Covenants Agreement or any other Credit Document;

(I) the taking of, or the omission to take, any of the actions referred to in the Credit Documents;

(J) any failure, omission or delay on the part of the Holder, the Agent or any other Person to enforce, assert or exercise any right, power or remedy conferred on the Holder, the Agent or such other Person in this Guaranty or any other Credit Document;

(K) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, Bankruptcy, assignment for the benefit of creditors, reorganization or other similar proceedings affecting the Guarantor or any of its assets, or any allegation or any contest of the validity of the Credit Documents in any such proceedings;

(L) to the extent permitted by law, any event or action that would, in the absence of this Section 3.2, result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty;

(M) the default or failure of the Guarantor fully to perform any of its obligations set forth in this Guaranty; or

(N) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor.

**Section 3.3. Waiver by the Guarantor.** The Guarantor hereby waives, with respect to the Continuing Covenants Agreement, the other Credit Documents and this Guaranty, and the indebtedness evidenced hereby and thereby, the following: diligence; presentment; demand for payment; filing of claims with a court in the event of Bankruptcy of the Issuer or any other Person liable in respect of the Debt; any right to require a proceeding first against the Institution or any other Person; protest; notice of dishonor or nonpayment of any such liabilities; and any other notice and all demands whatsoever.

**Section 3.4. Discharge of Guarantor's Obligations and Termination of This Guaranty.**

Subject to the prior written consent of the Holder, which consent shall not be unreasonably withheld, this Guaranty shall terminate and the obligations of the Guarantor created hereunder shall be discharged upon the irrevocable payment in full of the Debt, provided that no Event of Default has theretofore occurred and is continuing. On the date of such discharge, the Guarantor shall be released from any and all conditions, terms, covenants or restrictions created or placed upon it by this Guaranty, and the Guarantor shall not have any further obligation or liability hereunder.

**Section 3.5. Other Security.** The Holder or the Agent may pursue its rights and remedies under this Guaranty notwithstanding (A) any other Guaranty of or security for the Debt, and (B) any action taken or omitted to be taken by the Holder or the Agent or any other Person to enforce any of the rights or remedies under such other Guaranty or with respect to any other security.

**Section 3.6. No Set-Off by the Guarantor.** No set-off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature (other than full performance by the Guarantor of the obligations hereunder) which the Guarantor has or may have against the Holder, the Agent, or any other Person, shall be available hereunder to the Guarantor with respect to a claim under this Guaranty. The Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations of the Guarantor under this Guaranty, except as specifically set forth in this Guaranty.

**Section 3.7. Notice and Service of Process; Venue; Waiver of Jury Trial.**

(A) The Guarantor will remain subject to service of process in the State, and any notice, process, pleading or other papers may be served upon the Guarantor at such address as is specified in or pursuant to Section 5.3 of this Guaranty.

(B) The Guarantor hereby irrevocably agrees that any suit, action or other legal proceeding arising out of this Guaranty may be brought in the courts of the State or the courts of the United States located within the State.

(C) Each of the Agent, the Holder and the Guarantor knowingly, voluntarily, intentionally and irrevocably waives each right it may have to a trial by jury with respect to, and each right to assert any claim for special exemplary or punitive damages in addition to actual and consequential damages in, any action or other legal proceeding arising out of this Guaranty.

**Section 3.8. Nature of Guaranty.**

(A) This Guaranty is a Guaranty of payment and not of collection, and the Guarantor hereby waives any right to require that any action be brought against any other Person or to require that resort be had to any security or to any balance of any fund or credit held by the Holder in favor of the Issuer, the Guarantor or any other Person prior to the Holder or the Agent proceeding under this Guaranty. If at any time any payment of the principal of, premium, if any, or interest or LIBOR Breakage Fee, if any, on the Series 2017 Bonds or any other amount payable by the Issuer or the Guarantor and guaranteed by the Guarantor pursuant to Section 3.1

hereof is rescinded or is otherwise required to be restored or returned upon the insolvency, Bankruptcy or reorganization of the Guarantor, the Institution or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

(B) All of the rights and remedies of this Guaranty shall inure to the benefit of the Holder, its successors and assigns.

**Section 3.9. Reporting.** The Guarantor shall furnish to the Agent (a) as soon as available and, in any event, within one hundred fifty (150) days after the end of each Fiscal Year of Guarantor, audited combined and combining financial statements of Guarantor and Institution as of the end of such year, including a balance sheet, income statement and statements of cash flows and changes in financial position and/or changes in fund balances, as applicable, of Guarantor for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on, and prepared in accordance with GAAP, consistently applied, by the Accountant, whose report shall state that such financial statements present fairly Guarantor's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year; (b) as soon as available and, in any event, within forty-five (45) days after the end of each fiscal quarter, unaudited financial statements as of the end of such three (3) months, prepared in accordance with GAAP, consistently applied; (c) promptly upon receipt by Guarantor of its accountant's management letter, Guarantor will forward a copy of such management letter to the Agent and a summary of the report of litigation matters and/or other opinion(s) of counsel delivered to the accountant by counsel to Guarantor; and (d) from time to time, such financial data and information about Guarantor as Agent may reasonably request. The term "Accountant" shall mean an independent certified accountant or a firm of independent certified public accountants selected by the Institution and acceptable to the Agent. The term "Fiscal Year" shall mean the fiscal year of Guarantor, which ends June 30. The term "GAAP" shall mean generally accepted accounting principles as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, consistently applied.

## ARTICLE IV

### EVENTS OF DEFAULT

**Section 4.1. Events of Default Defined.** An "Event of Default" shall exist if any of the following occurs:

(A) ***Covenants for the Payment of Money*** – the Guarantor fails to perform or observe any covenant for the payment of money contained in Article III herein on demand, after written notice with respect thereto is given by the Holder or the Agent to the Guarantor;

(B) ***Other Defaults*** – the Guarantor fails to comply with any other provision of this Guaranty other than paragraphs (A), (C), (D), (E), (F) and (G) of this Section 4.1, and such failure continues for more than thirty (30) days after written notice of such failure has been given to the Guarantor;

(C) **Warranties or Representations** – any warranty, representation or other statement by or on behalf of the Guarantor contained in this Guaranty is false or misleading in any material respect when made;

(D) **Involuntary Bankruptcy Proceedings** – a receiver, liquidator or trustee of the Guarantor or of any of its Property is appointed by court order, and such order remains in effect for more than sixty (60) days; or the Guarantor is adjudicated Bankrupt or insolvent; or any of the Property is sequestered by court order and such order remains in effect for more than sixty (60) days; or a petition is filed against the Guarantor under any Bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within sixty (60) days after such filing;

(E) **Voluntary Petitions** – the Guarantor files a petition in voluntary Bankruptcy or seeks relief under any provision of any Bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(F) **Assignments for Benefit of Creditors** – the Guarantor makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of all or any part of its Property; or

(G) **Defaults Under Financing Documents** – the occurrence of an “Event of Default” under the Continuing Covenants Agreement or any other Credit Document.

**Section 4.2. Remedies on Default.** If an Event of Default exists, the Holder or the Agent may proceed to enforce the provisions hereof and to exercise any other rights, powers and remedies available to the Holder. The Holder or the Agent, in its sole discretion, shall have the right to proceed first and directly against the Guarantor under this Guaranty without proceeding against or exhausting any other remedies which it may have and without resorting to any other security held by the Trustee, the Holder, or the Agent.

**Section 4.3. Waiver and Notice.**

(A) No remedy herein conferred upon or reserved to the Holder or the Agent is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty now or hereafter existing at law or in equity or by statute.

(B) No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(C) In order to entitle the Holder or the Agent to exercise any remedy reserved to it in this Guaranty, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Guaranty.



(D) In the event any provision contained in this Guaranty shall be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(E) No waiver, amendment, change, alteration, release, discharge, modification or termination of this Guaranty shall be established by conduct, custom or course of dealing.

## ARTICLE V

### MISCELLANEOUS

**Section 5.1. Survival.** All warranties, representations and covenants made by the Guarantor herein shall be deemed to have been relied upon by the Holder and shall survive the delivery to the Holder of this Guaranty, regardless of any investigation made by the Holder or the Agent.

**Section 5.2. Successors and Assigns.** This Guaranty shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, provided, however, that the obligations of the Guarantor hereunder may not be assigned. The provisions of this Guaranty are intended to be for the benefit of the Holder.

**Section 5.3. Notices.**

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

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

- (1) If to the Guarantor:

Upstate Home for Children Foundation, Inc.  
2705 State Highway 28  
Oneonta, New York 13820  
Attention: Wade Harman, Chief Financial Officer

- (2) If to the Holder:

Citizens Funding Corp.  
250 South Clinton Street, Suite 250  
Syracuse, New York 13202  
Attention: Patrick R. Szalach, Senior Vice President

with copies (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, NW, Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

(3) If to the Agent:

Citizens Bank, N.A.  
250 South Clinton Street, Suite 250  
Syracuse, New York 13202  
Attention: Patrick R. Szalach, Senior Vice President

with copies (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, NW, Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

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

**Section 5.4. Entire Understanding; Counterparts.** This Guaranty constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Section 5.5. Amendments.** No waiver, amendment, change, modification, release, discharge, alteration or termination of this Guaranty shall be made except upon the written consent of the Guarantor and the Holder.

**Section 5.6. Partial Invalidity.** The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty or any part thereof.

**Section 5.7. Section Headings Not Controlling.** The headings of the several sections of this Guaranty 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 Guaranty.

**Section 5.8. Agent to Act on Behalf of Holder.** The Agent will service and administer on behalf and for benefit of the Holder, this Guaranty and monitor the performance of the Guarantor hereunder. The Holder shall notify the Guarantor of the appointment of any other Person as Agent or of the assumption by Holder of the duties of Agent hereunder.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name by its duly authorized officer and has caused this Guaranty to be dated as of the day and year first above written.

**UPSTATE HOME FOR CHILDREN  
FOUNDATION, INC.**

By: Patricia E. Kennedy  
Patricia E. Kennedy  
Authorized Representative

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

On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **PATRICIA E. KENNEDY**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Pamella Weisberg  
**NOTARY PUBLIC**

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

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**SPRINGBROOK NY, INC.**

and

**CITIZENS BANK, N.A.,  
as Administrative Agent**

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**BUILDING LOAN AGREEMENT**

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Dated as of March 1, 2017

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Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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## **BUILDING LOAN AGREEMENT**

**THIS BUILDING LOAN AGREEMENT** (this "*Agreement*"), entered into at Albany, New York, on March 24, 2017, between **SPRINGBROOK NY, INC.**, a New York not-for-profit corporation, with its principal office located at 2705 State Highway #28, Oneonta, New York 13820-9753 (the "*Institution*") and **CITIZENS BANK, N.A.**, a national banking association having an office at 250 South Clinton Street, Suite 202, Syracuse, New York 13202, as administrative agent (the "*Agent*") for Citizens Funding Corp., the holder (the "*Holder*") of the Series 2017 Bonds (as defined below).

### **WITNESSETH:**

**WHEREAS**, at the request of the Institution, Otsego County Capital Resource Corporation (the "*Issuer*") issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "*Series 2017A Bonds*"), the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B, in the aggregate principal amount of up to \$500,000 (the "*Series 2017B Bonds*") and the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "*Series 2017C Bonds*" and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "*Series 2017 Bonds*") under the terms and conditions more fully set forth in a trust indenture dated as of September 1, 2010 (as amended and supplemented to the date hereof, the "*Initial Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"), as supplemented by Series 2017 Supplemental Indenture dated as of March 1, 2017 (the "*Series 2017 Supplemental Indenture*" and the Initial Indenture as supplemented thereby and as amended or supplemented from time to time, the "*Indenture*"), by and between the Issuer and the Trustee; and

**WHEREAS**, the Issuer issued the Series 2017 Bonds to assist the Institution with the financing of a portion of the costs of the construction and equipping on the Institution's main campus (the "*Main Campus*") located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "*Land*") of five (5) new buildings and facilities (each a "*Residence*") and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "*Residence Project*"), the costs of which are to be financed with the draw down loan facility evidenced by the Series 2017A Bonds and the Series 2017C Bonds; and the expansion and the making of improvements to the network infrastructure (the "*Network Equipment*") on and in buildings and facilities located at the Main Campus (the "*Network Project*" and collectively with the Residence Project, the "*Project*"), the costs of which are to be financed with the draw down loan facility evidenced by the Series 2017B Bonds; all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

**WHEREAS**, the Issuer loaned the proceeds of the Series 2017 Bonds to the Institution pursuant to a loan agreement dated as of September 1, 2010 (as amended and supplemented to the date hereof, the “*Initial Loan Agreement*”), as amended by Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2017 Amendment to Loan Agreement and as amended, modified or supplemented from time to time, the “*Loan Agreement*”), by and between the Issuer and the Institution; and

**WHEREAS**, the Holder agreed to make available to the Institution a draw down loan facility evidenced by the Series 2017 Bonds pursuant to a Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “*Continuing Covenants Agreement*”), by and among the Issuer, the Institution, the Holder and the Agent; and

**WHEREAS**, pursuant to the Continuing Covenants Agreement, the Holder appointed the Agent as administrative agent for the benefit of the Holder, with respect to administration of the draw down loan facility evidenced by the Series 2017 Bonds and established under the Continuing Covenants Agreement; and

**WHEREAS**, among other things, as security for the Institution’s obligations under the Series 2017 Bonds, the Loan Agreement and the Continuing Covenants Agreement, the Institution has agreed to grant to the Issuer and to the Agent a mortgage lien on and security interest in the Mortgaged Property, as more fully described on Schedule A attached hereto (subjected only to Permitted Encumbrances) pursuant to the Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “*Mortgage*”), by and among the Institution, as mortgagee and the Issuer and the Agent, as mortgagors; and

**WHEREAS**, the Issuer assigned its interest in the Mortgage to the Agent; and

**WHEREAS**, in order to induce the Holder to enter into the Continuing Covenants Agreement and make available to the Institution the draw down loan facility, the Institution is willing to enter into this Agreement;

**WHEREAS**, the Holder is only willing to establish the draw down loan facility evidenced by the Series 2017 Bonds and make Advances (as defined in the Continuing Covenants Agreement) thereunder, subject to the following terms and conditions:

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the parties hereby agree as follows:

## **ARTICLE I**

### **THIS AGREEMENT**

**1. General.** If the Institution proceeds with completion of the Project and observes and performs the terms, conditions and covenants of this Agreement, the Mortgage, the Continuing Covenants Agreement and all of the other documents given to the Agent in

connection with the Series 2017 Bonds (collectively, the “*Credit Documents*”), the Agent on behalf of the Holder will from time to time to or upon the order of the Institution make Advances as provided herein and in the Continuing Covenants Agreement.

**2. Lien Law.** It is the express intention of the parties hereto that all monies disbursed under this Agreement shall be deemed to be a building loan which is made by the Agent on behalf of the Holder as a “Lender” for the purposes of the Lien Law of the State of New York (the “*Lien Law*”), in consideration of the express promise of the Institution as “Owner” for purposes of the Lien Law, to pay the cost (or a portion thereof) of completing construction of the Residences. The cost of acquisition and installation of the personal property constituting the Network Equipment is deemed a mortgage loan and not a “cost of improvement” within the definition thereof contained in Subdivision 5 of Section 2 of the Lien Law. Monies disbursed under this Agreement shall be used for the purpose of paying certain costs of the Residences, which will qualify as a “cost of improvement” within the definition thereof contained in Subdivision 5 of Section 2 of the Lien Law. The Institution agrees to request and accept, and the Agent agrees on behalf of the Issuer and the Holder to disburse, monies under this Agreement as hereinafter provided and subject to the terms and conditions hereof.

**3. Defined Terms.** Capitalized terms used herein and not otherwise defined have the meaning given to them in the Continuing Covenants Agreement.

## ARTICLE II

### REPRESENTATIONS WARRANTIES AND COVENANTS OF THE INSTITUTION

**1. Representations of the Institution.** The Institution hereby represents, warrants and covenants to the Agent the following:

**(a) The Mortgaged Property.** That annexed hereto as **Exhibit A** is a true and correct description of the Mortgaged Property;

**(b) Use of Bond Proceeds.** That the Institution, in accordance with the Continuing Covenants Agreement and the Tax Documents (as defined in the Indenture), will use Advances to pay only for those of the following purposes (“*Costs of the Project*” or “*Project Costs*”) approved by the Agent:

- (i) all costs of engineering and architectural services with respect to the Residence Project, including the cost of test borings, surveys, estimates, Plans and Specifications and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, additions and improvements in connection with, the completion of the Residence Project;
- (ii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, suppliers, builders and materialmen in connection with the completion of the Residence Project;

- (iii) all costs paid or incurred for acquisition and installation of the Network Project;
- (iv) capitalized interest on the Series 2017 Bonds;
- (v) all costs of contract bonds and of insurance that may be required or necessary during Construction;
- (vi) all costs of the Title Policy;
- (vii) the payment of the issuance costs with respect to the Series 2017 Bonds;
- (viii) the payment of the reasonable fees and expenses of the Holder and the Agent during the period of acquisition, construction and installation of the Project;
- (ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Cost of the Project or for any other costs incurred and for work done which are properly chargeable to the Project; and
- (x) all other costs and expenses relating to the completion of the Project.

(c) **Liens.** That there are no Liens against or overdue taxes, assessments, fees or other charges payable by the Institution to a Governmental Authority;

(d) **Litigation.** That there is no action, litigation, suit, proceeding, inquiry, or investigation, in law or in equity, or before or by any court, public board or body pending or threatened against or affecting the Institution or the Mortgaged Property other than those previously disclosed to the Holder and the Agent;

(e) **Permits and Easements.** That all necessary state, local and federal permits and easements required or needed for the acquisition, construction and installation of the Project have been obtained and that the Project, when acquired, constructed and installed, shall be in compliance with all Laws; and

(f) **Representations to Continue.** The Institution covenants that all of the aforesaid representations and warranties shall remain in full force and effect while the Series 2017 Bonds are outstanding.



## ARTICLE III

### COVENANTS OF THE INSTITUTION

1. **Covenants of the Institution.** Until the Series 2017 Bonds have been fully repaid, the Institution hereby covenants to do the following:

(a) **Comply with Credit Documents.** Fully and timely comply with all terms and conditions contained in the Credit Documents;

(b) **Insurance.** Keep in full force and effect all insurance as required under the Continuing Covenants Agreement;

(c) **Pay Costs.** Pay all costs and expenses required to satisfy the conditions of this Agreement, including:

(i) all taxes, title insurance and recording expenses;

(ii) all surveying, engineering and architectural fees;

(iii) the reasonable attorneys' fees and disbursements of attorneys of the Agent and the Holder; and

(iv) the reasonable cost of all appraisals and inspection fees;

(d) **Construction.** Cause the construction, installation and equipping of the Project to be prosecuted with diligence and continuity, in a good and workmanlike manner and will complete the same in accordance with the Plans and Specifications free and clear of liens of any kind except those in favor of the Agent;

(e) **Lien Law Section 13.** Receive the advances to be made hereunder pursuant to Section 13 of the Lien Law and hold the right to receive the same as a trust fund for the purpose of paying the Costs of the Project and will apply the same first to such payment before using any part thereof for any other purpose;

(f) **Maintain the Project.** Maintain the Project in good repair and safe condition at all times;

(g) **Inspections.** Permit the Agent and/or its representatives which may include an engineer or construction professional ("*Consultant*") selected by the Agent and paid for by the Institution to enter upon the Mortgaged Property, inspect the Project and all materials to be used in the construction thereof, and to examine all Plans and Specifications and shop drawings;

(h) **Indemnity.** Defend, indemnify and hold the Agent harmless of and from claims arising by reason of the execution of this Agreement or the consummation of the transactions contemplated hereunder and from any expenses incurred by the Agent in connection with any such claims (including reasonable attorneys' fees);

**(i) Contracts.** Deliver to the Agent, on demand, certified copies of contracts, bills of sale, statements, or receipted vouchers or agreements under which the Institution claims title to any materials, fixtures or articles constituting part of the Residences and Network Equipment;

**(j) Defects; Changes.** Correct any structural defect in the Project or any departure from the Plans and Specifications;

**(k) Compliance with Requests of Architect.** Promptly comply, and make reasonable efforts to cause any contractor or subcontractor to promptly comply, with all reasonable instructions of any architect or construction supervisor relating to the construction and equipping of the Residence Project in accordance with any contract and the Plans and Specifications;

**(l) Pay Costs.** Pay or cause to be paid all obligations incurred for the cost of completing the Project (whether or not the monies available under this Agreement shall be sufficient for said purpose);

**(m) Damage or Destruction.** Proceed immediately, if the Project is partially or totally damaged or destroyed by fire or other casualty, to restore the same, or to cause the same to be restored (whether or not the insurance proceeds available as a result of such damage or destruction shall be sufficient for the purpose);

**(n) Provide Information.** Furnish or cause to be furnished to the Agent from time to time, upon request (i) information as to the financial condition of the Institution, (ii) a list of all unpaid bills with respect to work, labor or services or materials, supplies or equipment, (iii) a list of all contractors and subcontractors with whom the Institution has contracted or intends to contract for the performing of any work, labor or services or the furnishing of any materials, supplies or equipment in connection with the acquisition, construction, installation, and/or equipping of the Project, (iv) the Institution's budgets and revisions thereof showing the estimated costs of completing the Residences and acquisition and installation of the Network Equipment and the funds that will be required at any given time to complete and pay for such work, labor, services, materials, supplies or equipment and (v) certificates or acknowledgements of payment, releases of lien, receipted bills or other evidence of payment with respect to any work, labor, services, materials, supplies or equipment and any other costs and expenses relating to the Project;

**(o) Governmental Approvals.** Furnish to the Agent within thirty (30) days after substantial completion of each Residence and in any event prior to requesting the final disbursement of monies hereunder, a copy of a certificate of occupancy and any other necessary certificates, licenses, consents and other approvals of Governmental Authorities;

**(p) Pay Agent Expenses.** Pay all reasonable fees, charges and other expenses actually incurred by the Agent in connection with the processing of Requests for Advance and the making of Advances hereunder, including, without limitation, legal fees, title company charges, search charges, survey expenses, recording charges and other

similar expenses, if any, it being understood that if said sums are not paid promptly by the Institution, said sums may be deducted by the Agent from monies to be disbursed hereunder;

(q) **Continue Construction and Installation.** Continue the construction, installation and equipping of the Project and not discontinue the same for any reason (other than Unavoidable Delays) for a period of more than thirty (30) days;

(r) **Compliance.** Comply with the Plans and Specifications and any requirement of any Governmental Authority having jurisdiction over the Project;

(s) **Assignment.** Not assign the rights of the Institution under this Agreement;

(t) **Liens.** Discharge or otherwise remove any Lien filed against the Mortgaged Property (other than Permitted Encumbrances or Liens contested in good faith in accordance with the Mortgage) within thirty (30) days of filing;

(u) **Title.** Dispose of any title questions applicable to the Mortgaged Property to the reasonable satisfaction of the Agent and its counsel.

#### ARTICLE IV

#### CONDITIONS PRECEDENT TO THE AGENT'S OBLIGATIONS HEREUNDER

1. **Conditions Precedent.** The Agent shall not be obligated hereunder unless the conditions precedent set forth in Sections 5.2 and 15.7 of the Continuing Covenants Agreement shall have been satisfied in form and substance satisfactory to the Agent and its counsel.

#### ARTICLE V

#### ADVANCES

1. **Conditions to Advances.** The Agent's obligation to make, on behalf of the Holder, any Advance shall be effective only upon fulfillment of the following conditions:

(a) **Conditions to Initial Advance.** Receipt and approval by the Agent of all items required to be provided to the Agent pursuant to Sections 5.2 and 15.7 of the Continuing Covenants Agreement;

(b) **Conditions to Subsequent Advances.** Advances are subject to meeting all of the conditions of Advances under this Agreement and the Continuing Covenants Agreement including without limitation Section 15.7. Advances will be made not more frequently than once each month. Advances shall be based upon and shall not exceed the value of work (including the value of architectural and engineering work) and equipment in place. Requests for Advances must be submitted in writing signed by the Institution or its Authorized Representative and in the case of the Residence Project accompanied by AIA Form G702 and G703, with exhibits and substantiating documents in form required

by the Agent, executed by the Institution, Construction Manager and the Architect and received by the Agent at least ten (10) days prior to the day the Advance is sought. Until the Project is complete, the Agent may as reasonably determined by the Agent perform monthly inspections at the Institution's expense in scope satisfactory to the Agent. Without limiting the generality of the foregoing the Agent's obligations to make subsequent Advances is conditioned upon meeting all of the conditions of Article 15 of the Continuing Covenants Agreement.

(c) **Conditions to Final Advance.** Without limiting the generality of the foregoing, the Agent's obligation to make the final Advance with respect to any Residence is conditioned upon meeting the conditions set forth in Section 15.15 of the Continuing Covenants Agreement applicable to such Residence.

**2. Direct Advances.** Regardless of whether the Institution has submitted a Request for Advance therefor, the Agent may from time to time make Advances for amounts which become due for expenses for which the Institution is responsible for payment, including interest on the Series 2017 Bonds. Such Advances may be made directly to persons or entities to whom such amounts are due, or to the Agent to reimburse the Agent for sums due to it. All such Advances to persons or entities other than Institution shall be deemed Advances to the Institution hereunder and shall be secured by the Mortgage to the same extent as if they were made directly to the Institution.

**3. One Agreement.** This Agreement, together with the Continuing Covenants Agreement and the Mortgage are intended to operate as one agreement and all of the representations, warranties and agreements in the Continuing Covenants Agreement and the Mortgage shall be considered to be made under this Agreement as though fully set forth herein; it being agreed, however, that should there be any conflict between the terms of this Agreement and the terms contained in the Continuing Covenants Agreement, the Mortgage or any other Credit Document or Series 2017 Financing Document, that the terms of the Continuing Covenants Agreement shall control.

**4. Time of Delivery.** All certificates and other supporting documentation herein required must be delivered to the Agent at least ten (10) days prior to each Advance (unless Article 15 of the Continuing Covenants Agreement requires a different date).

**5. Additional Conditions.** In addition to the conditions herein specified with respect to Advances, the Agent's obligation to make Advances shall be subject to the fulfillment of all of the following conditions:

(a) **No Defaults.** No event shall have occurred which constitutes or, which with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder;

(b) **Adequate Proceeds.** The monies remaining unadvanced hereunder together with any remaining equity funds that the Agent is satisfied are available to the Institution shall equal or exceed the amount necessary to complete the Improvements and acquisition and installation of the Network Equipment and pay the costs for all work,

labor or services performed and materials, supplies or equipment furnished for the Project;

(c) **No Adverse Conditions.** Neither the condition, business or prospects of the Institution or the Project shall have been materially and adversely affected in any way as the result of force majeure, any legislative or regulatory change, revocation of license or right to do business or otherwise.

(d) **Multi-Party Advances.** The Agent may in its absolute discretion, make Advances in the form of checks payable to the Institution and a party or parties seeking payment for work performed or materials provided for the Project.

6. **Retainage.** The Agent will retain five percent (5%) (or such higher retainage as may be set forth in the applicable Construction Agreement) of each Advance with respect to the Residence Project and the retainage will be released upon issuance of a permanent certificate of occupancy for the respective building included in the Residence Project.

## ARTICLE VI

### EVENTS OF DEFAULT

1. **Events of Default.** The following shall constitute "Events of Default" hereunder:

(a) **Warranties and Representations.** If at any time any representation or warranty made by the Institution herein or in any other Credit Document shall be false or incorrect;

(b) **Breach of Covenants.** If the Institution fails to comply with any term, covenant or condition of this Agreement;

(c) **Other Credit Documents.** If an "Event of Default" shall occur under any other Credit Document.

2. **Remedies.** The Agent shall have the right, upon the happening of any Event of Default and its continuation beyond any period of grace or cure or in the case of (a) below, the occurrence of any event which, but for the passage of time, the giving of notice or both, would constitute an Event of Default, in addition to any rights or remedies available to it under the Continuing Covenants Agreement, the Mortgage, this Agreement, or any other Credit Document, to:

(a) **No Advances.** Refuse to make any further Advances under this Agreement;

(b) **Repay Bonds.** Require the Institution to immediately make payment in full of all funds previously advanced under this Agreement and any sums due under any of the other Credit Documents;

**(c) Complete the Residences and Acquisition and Installation of the Network Equipment.** Enter into possession of the Project and perform any and all work and labor necessary to complete or to attempt to complete the acquisition, construction and installation of the Project substantially in accordance with the Plans and Specifications and employ watchmen to protect the Project. All sums expended by the Agent for such purposes shall be deemed to have been paid to the Institution and secured by the Mortgage. For this purpose, the Institution hereby constitutes and appoints the Agent its true and lawful attorney-in-fact with full power of substitution to complete or to attempt to complete the construction, installation and equipping of the Project in the name of the Institution, and hereby empowers said attorney or attorneys as follows: to use any funds of the Project, including any funds which may remain unadvanced hereunder for the purpose of completing or attempting to complete the construction of the Residences in the manner called for in the Plans and Specifications; to make such additions, changes and corrections in the Plans and Specifications which shall be necessary or desirable to complete or to attempt to complete the construction of the Residence Project in substantially the manner contemplated by the Plans and Specifications; to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes; to pay, settle or compromise all existing bills and claims which are or may be liens against the Mortgaged Property, or may be necessary or desirable for the completion of the work or the clearance of title; to execute all applications and certificates in the name of the Institution which may be required by any construction contract; and to do any and every act with respect to the Project which the Institution may do on its own behalf. It is understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked. Said attorney-in-fact shall also have the power to prosecute and defend all actions or proceedings in connection with the construction, installation and equipping of the Project and to take such action and require such performance as is deemed necessary.

## ARTICLE VII

### MISCELLANEOUS

**1. Notices.** All notices, requests and demands under this Agreement shall be in writing and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, return receipt requested, addressed to the respective parties hereto at their respective address specified below or such other addresses as either party may specify in writing to the other:

**The Institution:**

Springbrook NY, Inc.  
2705 State Highway 28  
Oneonta, New York 13820-9753  
Attention: Wade Harman  
Chief Financial Officer

**The Agent:**

Citizens Bank, N.A.  
250 South Clinton Street, Suite 202  
Syracuse, New York 13202  
Attention: Patrick R. Szalach,  
Senior Vice President

**2. Amendments.** This Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and delivered by the parties hereto, and filed in the Office of the Otsego County Clerk within ten (10) days of its execution.

**3. Successors.** This Agreement shall be binding upon and inure to the benefit of the Institution, the Agent and their respective successors and assigns.

**4. Counterparts.** This 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.

**5. Applicable Law.** Irrespective of the place of execution and/or delivery, this Agreement shall be governed by, and shall be construed in accordance with, federal law applicable to Agent, and to the extent not preempted by federal law, the laws of the State of New York.

**6. No Waivers.** No Advance hereunder shall constitute a waiver of any of the conditions of the Agent's obligation to make further Advances nor, in the event the Agent is unable to satisfy any such condition, shall any such waiver have the effect of precluding the Agent from thereafter declaring such inability to be an Event of Default as herein provided.

**7. Purpose of Condition.** All conditions of the obligations of the Agent to make Advances hereunder on behalf of the Holder are imposed solely and exclusively for the benefit of the Agent, the Holder and their respective assigns and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or to be entitled to assume that the Agent will refuse to make Advances in the absence of strict compliance with any or all thereof and no other person shall, under any circumstances, be deemed to be beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Agent at any time if in its sole discretion it deems it advisable to do so.

**8. Lien Law.** The Institution will receive the Advances to be made hereunder subject to the trust fund provisions of Section 13 of the Lien Law and will hold the right to receive such Advances as a trust fund to be applied first for the purpose of paying the Costs of the Project and will apply the same first to such payment before using any part of the same for any other purpose, but nothing herein shall be construed to impose upon the Agent any obligation to see to the proper application of such Advances by the Institution.

**9. Affidavit Under Lien Law Section 22.** A true statement under oath verified by the Institution as required by Section 22 of the Lien Law of the State of New York is attached hereto as **Exhibit B** and made a part hereof.

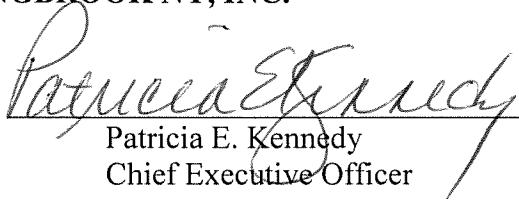
**10. Agent Waivers.** The Agent may at any time and from to time waive one or more of the conditions of this Agreement but any such waiver shall be deemed to have been made pursuant to and not in modification of this Agreement. Any such waiver in any one instance under any particular circumstance shall not be considered a waiver of any such condition in any other instance or under any other circumstance.

**11. JURY WAIVER. THE INSTITUTION AND THE AGENT EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT, THE OBLIGATIONS, ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HEREWITH AND (B) AGREE NOT TO SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE, OR HAS NOT BEEN, WAIVED. THE INSTITUTION CERTIFIES THAT NEITHER THE AGENT NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.**




IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**SPRINGBROOK NY, INC.**

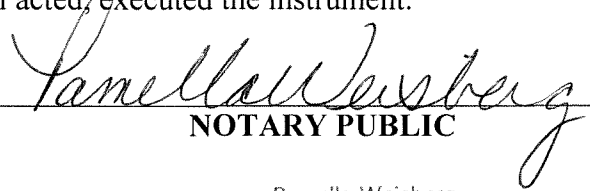
By:   
Patricia E. Kennedy  
Chief Executive Officer

**CITIZENS BANK, N.A.,**  
as Agent

By:   
Patrick R. Szalach  
Senior Vice President

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

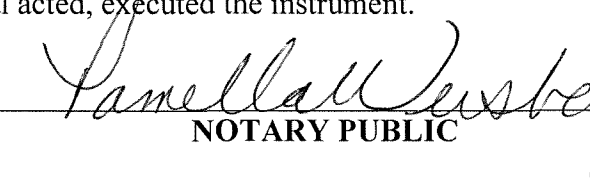
On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **Patricia E. Kennedy** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

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

On the 24<sup>th</sup> day of March in the year 2017 before me, personally appeared **Patrick R. Szalach** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

**Exhibit "A"**  
**DESCRIPTION OF MORTGAGED PROPERTY**

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";

- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing

77.3265 acres. PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North  $17^{\circ} 59' 28''$  West 186.55 feet;
- 2) North  $77^{\circ} 49' 10''$  East 68.20 feet;
- 3) South  $17^{\circ} 59' 28''$  East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South  $73^{\circ} 36' 05''$  West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

#### PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South  $03^{\circ}21'23''$  East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of  $09^{\circ} 08'14''$ ;
- 3) South  $12^{\circ} 29'37''$  East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of  $03^{\circ}17'47''$ ;
- 5) South  $09^{\circ}11'50''$  East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North  $71^{\circ}23'21''$  West 481.85 feet;

2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

1) North 39°34'28" East 621.08 feet;

2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

1) South 52°59'18" East 48.34 feet;

2) North 89°31'36" East 123.99 feet;

to the point of beginning.

**Exhibit "B"**  
**LIEN LAW, SECTION 22 AFFIDAVIT**

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

Patricia E. Kennedy, being duly sworn, deposes and says:

1. She is the Authorized Representative of Springbrook NY, Inc., described as the Institution in the Building Loan Agreement to which this Affidavit is annexed.

2. The Institution and the Agent have entered into a certain Building Loan Agreement relating to the construction and equipping of Residences on Mortgaged Property which is more particularly described on Exhibit "A". The Building Loan Agreement is intended to be filed in the Otsego County Clerk's Office in accordance with Section 22 of the Lien Law. All capitalized terms used herein and not otherwise defined shall have the same meanings assigned thereto in the Building Loan Agreement.

3. The proceeds of the draw down loan facility evidenced by the Series 2017 Bonds (the "Loan") will be advanced in accordance with the terms of the Building Loan Agreement.

4. The consideration, if any, paid, or to be paid, for the Loan is set forth in item 5(a) below.

5. All other expenses paid or to be paid in connection with the Loan are as follows:

(a) No sums paid for obtaining the Loan and subsequent financing:

(i) Loan Fees	\$ 0
(ii) Appraisal Fees	\$ 0
(iii) Construction Monitoring Fee	\$ 0
(iii) Environmental	\$ 0
(iv) Title Insurance Premiums and Endorsements	\$ 0
(v) Survey Costs	\$ 0

(b) Legal Fees \$ 0

(c) Issuer Fee \$ 0

Total \$ 0



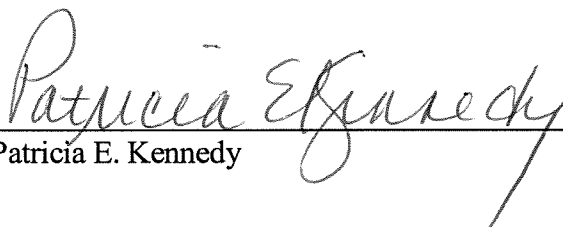
Certain of the foregoing amounts are based upon good faith estimates of costs or expenses not yet incurred and certain items listed above may cost more or less than such estimates. The Institution reserves the right to use unexpended amounts from any of said items to defray increases incurred in any other item or items listed above so long as the total amount expended on such items does not exceed the amount of the Loan.

6. That after payment of all the above fees and expenses, the amount of money which will be available to pay for the cost of constructing and equipping the Residences referred to in the Building Loan Agreement will be the sum of \$7,920,868.41, less all monies needed to pay insurance premiums, interest, taxes, assessments, water and sewer costs and rent becoming due while the construction and equipping of the Residences are being made.

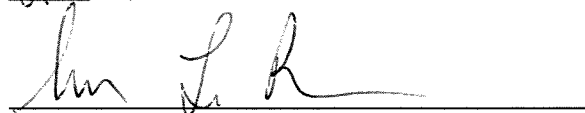
7. All monies advanced by the Agent to the Institution under the Agreement shall be subject to the Trust Fund provisions of Section 13 of the Lien Law. If an Event of Default occurs during construction and installation of the Project, the Agent may refuse to advance additional funds and such unadvanced sums would not be available to the Institution to pay the cost of constructing and equipping the Residences and acquisition and installation of the Network Equipment.

8. This affidavit is made pursuant to and in compliance with Section 22 of the Lien Law by the Institution, as the "borrower" for the purposes of said Section.

9. The facts herein stated are true to the best of deponent's knowledge.

  
Patricia E. Kennedy

Sworn to before me this  
24<sup>th</sup> day of March, 2017

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

SARAH LEWIS BELCHER  
Notary Public, State of New York  
No. 4902576  
Qualified in Albany County  
Commission Expires August 10, 20 17

**UCC FINANCING STATEMENT**

206527

2017 MAR 28 PM 3: 15

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**C. Martell - 518-465-2333**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hodgson Russ LLP  
 677 Broadway  
 Suite 301  
 Albany, New York 12207**

Drawdown #3G/Mailbox #92

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME <b>Otsego County Capital Resource Corporation</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>242 Main Street</b>			CITY <b>Oneonta</b>	STATE <b>NY</b>	POSTAL CODE <b>13820</b>	COUNTRY <b>USA</b>
1d. <u>SEE INSTRUCTIONS</u> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>Corporation</b>	1f. JURISDICTION OF ORGANIZATION <b>New York</b>	1g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE		

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. <u>SEE INSTRUCTIONS</u> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME <b>Manufacturers and Trade Trust Company, as Trustee</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>One M&amp;T Plaza, 7th Floor</b>			CITY <b>Buffalo</b>	STATE <b>NY</b>	POSTAL CODE <b>14203</b>	COUNTRY <b>USA</b>

**4. This FINANCING STATEMENT covers the following collateral:**

See Exhibit "A" attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA <b>059346.00007 - Indenture</b>						

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

**FILING NUMBER: 201703280148495**

**UCC FINANCING STATEMENT ADDENDUM**

206527

2017 MAR 28 PM 3: 15

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME <b>Otsego County Capital Resource Corporation</b>		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME
			MIDDLE NAME
			SUFFIX
11c. MAILING ADDRESS			CITY
		STATE	POSTAL CODE
			COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
			11g. ORGANIZATIONAL ID #, if any
			<input type="checkbox"/> NONE

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME		FIRST NAME
			MIDDLE NAME
			SUFFIX
12c. MAILING ADDRESS			CITY
		STATE	POSTAL CODE
			COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.  
 14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest).

17. Check only if applicable and check only one box.  
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

**Addendum re: Indenture 028260.00017(Springbrook)**

CLOSING ITEM NO.: A-11

SCHEDULE A

TO FINANCING STATEMENT FROM OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION, AS DEBTOR, TO  
MANUFACTURERS AND TRADERS TRUST COMPANY, AS  
SECURED PARTY

Otsego County Capital Resource Corporation (the "Issuer") and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), for the holders from time to time of the (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), have entered into a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the "Series 2017 Supplemental Indenture", and together with the Initial Indenture and the Series 2012A Supplemental Indenture being collectively referred to as the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture. The Indenture is intended to create a first priority security interest in certain property of the Issuer, including, but not limited to:

I

All right, title and interest of the Issuer in and to the Trust Revenues, including any payment made by the Credit Facility Issuer pursuant to the Letter of Credit;

II

Any and all moneys and securities from time to time held by the Trustee under the terms of the Indenture, except (A) moneys on deposit in the Letter of Credit Account, the Redemption Premium Account, the Remarketing Proceeds Account and the Defeasance Account of the Bond Fund and all moneys and investments therein (including without limitation the proceeds of the Credit Facility) deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, or for the purchase of Tendered Bonds pursuant to the Indenture, and (B) moneys on deposit in the Rebate Fund;

III

206527

2017 MAR 28 PM 3: 15

Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by anyone in its behalf or with its written consent in favor of the Trustee;

The Indenture is also intended to constitute a security agreement under the Uniform Commercial Code of the State so that the Trustee shall have and may enforce a security interest, to secure payment of all sums due or to become due under the Bonds and the Indenture, in so much of the Property described in Granting Clauses I through III above as may be made subject to such a security interest, including the moneys held by the Trustee hereunder, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor and all proceeds and products thereof and proceeds of proceeds, and all other contract rights and general intangibles of the Issuer (except the Unassigned Rights) obtained in connection with or relating to the Project Facility, as well as any and all items of property in the foregoing classifications which are hereafter acquired;

SUBJECT, HOWEVER, to Permitted Encumbrances;

EXCEPTING THEREFROM, the Unassigned Rights.

**UCC FINANCING STATEMENT**

206528

2017 MAR 28 PM 3:15

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
**C. Martell- 518-465-2333**

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

**Hodgson Russ LLP**  
**677 Broadway**  
**Suite 301**  
**Albany, New York 12207**

**Drawdown #3G/Mailbox #92**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**Otsego County Capital Resource Corporation**

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**242 Main Street Oneonta NY 13820 USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**Not Applicable Corporation New York**  NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
**Not Applicable**  NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**Manufacturers and Trade Trust Company, as Trustee**

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**One M&T Plaza, 7th Floor Buffalo NY 14203 USA**

4. This FINANCING STATEMENT covers the following collateral:  
**See Exhibit "A" attached hereto.**

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT (S) on Debtor(s) (ADDITIONAL FEE) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
**059346.00007 - Pledge & Assignment**

**UCC FINANCING STATEMENT ADDENDUM**

206528

2017 MAR 28 PM 3:15

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME <b>Otsego County Capital Resource Corporation</b>		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

**THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY**

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME						
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any		
					<input type="checkbox"/> NONE	

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME						
OR	12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

**Re: Pledge & Assignment 028260.00017 (Springbrook)**

## SCHEDULE A

TO FINANCING STATEMENTS FROM OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION, AS DEBTOR, TO MANUFACTURERS  
AND TRADERS TRUST COMPANY, AS SECURED PARTY

Otsego County Capital Resource Corporation (the "Issuer") has executed and delivered to Manufacturers and Traders Trust Company, as trustee (the "Trustee") for the holders from time to time of (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), a pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment"), an amended and supplemented by an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment"), and an amended and supplemented by an amendment to pledge and assignment dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment", and collectively with the Initial Pledge and Assignment and the Series 2012A Amendment to Pledge and Assignment, the "Pledge and Assignment") assigning to the Trustee all rights and interests of the Issuer (excepting the Unassigned Rights as defined in the Loan Agreement) under, in and pursuant to an amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement," and together with the initial loan agreement dated as of dated September 1, 2010 (the "Initial Loan Agreement") and the amendment to loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement"), collectively referred to as the "Loan Agreement") by and between the Issuer and Springbrook NY, Inc. (the "Institution"), including, without limiting the generality of the foregoing, the present and continuing right (1) to make claim for, collect or cause to be collected, receive or cause to be received all loan payments and other sums of money payable or receivable by the Issuer under the Loan Agreement (except moneys payable pursuant to the Unassigned Rights (as defined in the Loan Agreement)), (2) to bring actions and proceedings thereunder for the enforcement thereof (except actions to enforce the Unassigned Rights), and (3) to do any and all things which the Issuer is or may become entitled to do under the Loan Agreement (excepting the Unassigned Rights).



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] <b>Jean S. Everett, Esq. (610) 438-9003</b>
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>Amanda Mirabito, Esq. Barclay Damon LLP 80 State Street Albany NY 12207</b>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>SPRINGBROOK NY, INC.</b>				
OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS <b>2705 State Highway 28</b>		CITY <b>Oneonta</b>	STATE <b>NY</b>	POSTAL CODE <b>13820</b>
1d. SEE INSTRUCTIONS <b>Not Applicable</b>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>not-for-profit</b>	1f. JURISDICTION OF ORGANIZATION <b>New York State</b>	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. SEE INSTRUCTIONS <b>Not Applicable</b>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>CITIZENS BANK, N.A., as administrative agent</b>				
OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS <b>250 South Clinton Street</b>		CITY <b>Syracuse</b>	STATE <b>NY</b>	POSTAL CODE <b>13202</b>

4. This FINANCING STATEMENT covers the following collateral:  
**All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 1, 2017 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION [if applicable]:	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]		<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2	
8. OPTIONAL FILER REFERENCE DATA						

**Springbrook - Building Loan/Mortgage**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
OR <b>SPRINGBROOK NY, INC.</b>		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
11d. <b>SEE INSTRUCTIONS</b> Not Applicable		ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
				11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S *or* ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR				
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

**105 Campus Drive, Town of Milford, New York**

— See Exhibit A

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

**See Schedule A**

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
RENTS AND SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Debtor") has given a Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 1, 2017 (as amended, modified, restated or supplemented from time to time, the "Mortgage and Security Agreement") in favor of Citizens Bank, N.A., as administrative agent (the "Agent") and Otsego County Capital Resource Corporation (the "Issuer") as security for the payment of all sums due under a certain Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 among the Debtor, Citizens Funding Corp., the Agent and the Issuer. Pursuant to an Assignment of Mortgage dated as of March 1, 2017, the Issuer assigned all its right, title and interest in and to the Mortgage and Security Agreement to the Agent. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Mortgage and Security Agreement.

Pursuant to the Mortgage and Security Agreement, the Debtor granted to the Agent and the Issuer a security interest in, and pledged and assigned to the Agent and the Issuer the following properties, assets and rights of the Debtor, to secure the payment and performance in full of the Obligations of the Debtor:

(a) (i) the real property more particularly described in Exhibit A attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Institution in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Project (collectively, the "*Improvements*");

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, Improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Series 2017 Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Series 2017 Mortgaged Property or now or hereafter transferred to the Series 2017 Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Series 2017 Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Series 2017

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
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Mortgaged Property or the other real property described above now or hereafter entered into and the right to receive and apply the rents, issues and profits of the Series 2017 Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Institution shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Series 2017 Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Institution's right to use such insurance proceeds or condemnation award for restoration of the Series 2017 Mortgaged Property as provided in the Continuing Covenants Agreement;

(f) all right, title and interest of the Institution in and to all contracts from time to time executed by the Institution or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Series 2017 Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Series 2017 Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Series 2017 Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Series 2017 Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Series 2017 Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
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(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
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**EXHIBIT A**

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
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feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
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7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing  
77.3265 acres. PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of  
Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point  
being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50"  
West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13  
feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running  
thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a  
distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P  
758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758)  
the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090,  
P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill  
and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher  
(L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point;  
running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South  
24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L  
322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
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Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
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to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
RENTS AND SECURITY AGREEMENT

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South 03°21'23" East 210.68 feet;

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
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2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of 09° 08'14";

3) South 12° 29'37" East 275.07 feet;

4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of 03°17'47";

5) South 09°11'50" East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

1) North 71°23'21" West 481.85 feet;

2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

1) North 39°34'28" East 621.08 feet;

2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND  
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- 1) South 52°59'18" East 48.34 feet;
- 2) North 89°31'36" East 123.99 feet;

to the point of beginning.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES  
AND RENTS AND SECURITY AGREEMENT

**EXHIBIT B**

All articles of personal property and all appurtenances, financed with proceeds of the Bonds and now or thereafter attached to, contained in or used in connection with the Mortgaged Property or the Project Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof.

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] <b>Jean S. Everett, Esq. (610) 438-9003</b>
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>Amanda Mirabito, Esq. Barclay Damon LLP 80 State Street Albany NY 12207</b>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**2705 State Highway 28 Oneonta NY 13820 USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**Not Applicable not-for-profit New York State**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
**Not Applicable**  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**CITIZENS BANK, N.A., as administrative agent**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**250 South Clinton Street Syracuse NY 13202 USA**

4. This FINANCING STATEMENT covers the following collateral:

**All right, title and interest of the debtor in the personal property described in Schedule A attached hereto and made a part hereof granted pursuant to a Security Agreement dated as of March 1, 2017 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION [if applicable]:  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

**Springbrook 2017 - Security Agreement**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME <b>SPRINGBROOK NY, INC.</b>			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. <b>SEE INSTRUCTIONS</b> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
**105 Campus Drive, Town of Milford, New York**

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

**See Schedule A**

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A.  
RELATING TO THE SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Institution") and Citizens Bank, N.A., as administrative agent (the "Agent") have entered into a Security Agreement dated as of March 1, 2017 (as amended, modified, restated or supplemented from time to time, the "Security Agreement") in favor of the Agent as security for the payment of all sums due under a certain Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 among the Institution, Otsego County Capital Resource Corporation, Citizens Funding Corp. and the Agent. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Institution granted to the Agent a security interest in, and pledged to the Agent the following properties, assets and rights of the Institution, to secure the payment and performance in full of the Obligations of the Institution:

(a) *Gross Revenues*: All issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Agent or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Series 2017 Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift; and

(b) *Equipment*: All furniture, fixtures, machinery, equipment and other items of personal property and all appurtenances now or hereafter attached

to, contained in or used in connection with the Project, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or hereafter acquired or arising, and all proceeds, products, and accessions thereof;

wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original Collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the "*Collateral*").

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CLOSING RECEIPT

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OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(A) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017A IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,550,000;  
(B) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017B IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$500,000; AND  
(C) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017C IN  
THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,450,000

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CLOSING RECEIPT, executed this 27<sup>th</sup> day of March, 2017, by OTSEGO COUNTY CAPITAL RESOURCE CORPORATION (the "Issuer"), MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "Trustee") for the holders from time to time of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), CITIZEN'S BANK, N.A. (the "Agent") as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the "Holder"), and SPRINGBROOK NY, INC. (the "Institution").

WITNESSETH:

Capitalized terms used herein which are not otherwise defined herein and which are defined in the (1) trust indenture dated as of September 1, 2010, by and between the Issuer and the Trustee (the "Initial Indenture"), (2) supplemental indenture dated as of July 1, 2012, by and between the Issuer and the Trustee (the "2012 Supplemental Indenture"), or (3) supplemental indenture dated as of March 1, 2017, by and between the Issuer and the Trustee (the "2017 Supplemental Indenture," and together with the Initial Indenture and the 2012 Supplemental Indenture, being collectively referred to as the "Indenture") shall have the meanings ascribed to them in the Indenture, except that, for purposes of this Closing Receipt, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this Closing Receipt and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this Closing Receipt and not as of any future date or to any successor or assign.


(1) The Issuer (A) has executed and delivered the Series 2017 Bonds to the Trustee, (B) has executed, delivered and acknowledged, where appropriate, the Financing Documents to which it is a party, (C) acknowledges receipt of the Financing Documents duly executed and acknowledged, where appropriate, by the Institution, the Holder, and the Agent, (D) acknowledges receipt from the Institution of notice that the Institution has received the Initial Advance under the Series 2017 Bonds, (E) has executed the Information Return relating to the Series 2017 Bonds required by Section 149(E) of the Code, and (F) acknowledges receipt from the Institution of the Issuer's administrative fee relating to the Series 2017 Bonds.

(2) The Agent (A) has executed, delivered and acknowledged, where appropriate, the Financing Documents to which it and the Holder are parties, (B) acknowledges that it has, on behalf of the Holder, advanced or is advancing to the Institution the Initial Advance pursuant to the terms of the Series 2017 Bonds and the Continuing Covenants Agreement, (C) acknowledges receipt of the Financing Documents duly executed and acknowledged by the Issuer, the Trustee, the Holder, and the Institution, as appropriate, and (D) acknowledges satisfaction of all of the conditions to the purchase of the Series 2017 Bonds and the making of the Initial Advance set forth in the Series 2017 Bonds and the Continuing Covenants Agreement.

(3) The Institution (A) has executed, delivered and acknowledged, where appropriate, the Financing Documents to which it is a party, (B) acknowledges receipt of the Financing Documents duly executed and acknowledged by the Issuer, the Trustee, the Holder, and the Agent, where appropriate, (C) has delivered to the Trustee and the Agent the Initial Request for Advance submitted in accordance with the Continuing Covenants Agreement and (D) acknowledges receipt from the Agent of the Initial Advance.

(4) The Trustee (A) has executed and delivered, and acknowledged, where appropriate, the Financing Documents to which it is a party, (B) acknowledges receipt of the Financing Documents duly executed and acknowledged by the Issuer, the Agent, the Holder, and the Institution, where appropriate, (C) acknowledges receipt from the Issuer of the Series 2017 Bonds, (D) confirms that it has authenticated the Series 2017 Bonds and has delivered them to the Agent, (E) acknowledges receipt from the Agent, on behalf of the Holder, of the proceeds of the Series 2017 Bonds, (F) confirms that it has deposited the proceeds of the Series 2017 Bonds in accordance with the terms of the Indenture as aforesaid, and (G) acknowledges satisfaction of all of the other requirements of the Indenture for delivery of the Series 2017 Bonds.

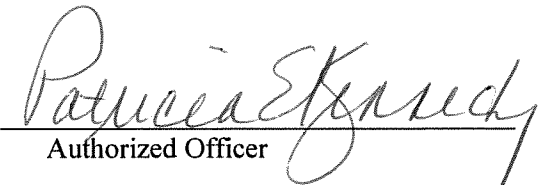
OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY:   
(Vice) Chairman

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: \_\_\_\_\_  
Authorized Officer

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

CITIZENS BANK, N.A. (formerly known as  
RBS Citizens, N.A.)

BY:   
Authorized Officer

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: \_\_\_\_\_  
Authorized Officer

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: Walter A. Auld  
Authorized Officer

SPRINGBROOK NY, INC.

BY: \_\_\_\_\_  
Authorized Officer

CITIZENS BANK, N.A. (formerly known as  
RBS Citizens, N.A.)

BY: \_\_\_\_\_  
Authorized Officer

CLOSING ITEM NO.: B-1

GENERAL CERTIFICATE

OF

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

This certificate is made in connection with the purchase by Citizens Bank, N.A. (the “Agent”) as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the “Holder”), from Otsego County Capital Resource Corporation (the “Issuer”) of the Issuer’s (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) issued pursuant to a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”) by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture”, and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee, and in connection therewith, the execution by the Issuer of the Series 2017 Bonds, the Series 2017 Amendment to Loan Agreement, the Series 2017 Amendment to Pledge and Assignment (as each such document is defined in the Indenture) and any other document to be executed by the Issuer (collectively, the “Issuer Documents”) in connection with the issuance by the Issuer of the Series 2017 Bonds in order to assist in providing financing for the benefit of Springbrook NY, Inc. (the “Institution”) with which the Issuer can undertake a project (the “Series 2017 Project”) consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the

loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement") by and between the Issuer and the Institution.

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to them in the Indenture except that, for purposes of this certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

THE UNDERSIGNED OFFICER OF THE ISSUER HEREBY CERTIFIES THAT:

1. I am an officer of the Issuer and am duly authorized to execute and deliver this certificate in the name of and on behalf of the Issuer.

2. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (1) authorizing the incorporation of the Issuer under the Enabling Act and (2) appointing the initial Directors of the board of directors of the Issuer. On October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County.

3. Attached hereto as Exhibit A is a true, correct and complete copy of the Sponsor Resolution, together with all amendments thereto or modifications thereof; and said Sponsor Resolution as so amended and modified is in full force and effect in accordance with its terms as of the date of this certificate.

4. Attached hereto as Exhibit B is a true, correct and complete copy of the Certificate of Incorporation, together with amendments thereto or modifications thereof; and said Certificate of Incorporation as so amended and modified is in full force and effect in accordance with its terms as of the date of this certificate.

5. Attached hereto as Exhibit C is a true, correct and complete copy of the by-laws of the Issuer, together with all amendments thereto or modifications thereof; and said by-laws as so amended and modified are in full force and effect in accordance with their terms as of the date of this certificate.

6. Attached hereto as Exhibit D is a true, correct and complete copy of a certificate of good standing relating to the Issuer from the New York State Department of State.

7. Under the Enabling Act, it is the purpose of the Issuer to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions.



8. Pursuant to the Enabling Act, the Issuer has the following power, among others: to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted.

9. Under the Enabling Act, the Sponsor Resolution and the Certificate of Incorporation, the Issuer (A) has full legal power and authority to own its Properties, conduct its business and execute, deliver and perform its obligations under each of the Issuer Documents and (B) has taken all actions and obtained all approvals required in connection therewith by the Enabling Act, the Sponsor Resolution, any other applicable laws and regulations and the Certificate of Incorporation.

10. The current Directors of the board of directors of the Issuer, and the respective offices which such directors hold, are as follows: Devin Morgan, Chairman; James M. Jordan, Vice Chairman; Joseph A. Bernier, Secretary; Craig Gelbsman, Assistant Secretary; Jeffrey C. Lord, Treasurer; Robert Hanft, Director, Hugh I. Henderson, Director; Richmond J. Hulse, Jr., Director; and James Salisbury, Director. The foregoing named individuals constitute all of the Directors of the board of directors of the Issuer; each of such individuals was and is duly appointed, qualified and acting as such Director of said board of directors; each of such individuals who is indicated as an officer of the Issuer was and is duly elected or appointed, qualified and acting as such officer; and each of such individuals has been a Director of the board of directors of the Issuer since at least March 3, 2016.

11. The seal impressed on the last page of this certificate is a true and correct impression of the corporate seal of the Issuer.

12. The execution, delivery and performance of the Issuer Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each by the Issuer do not and will not (A) violate the Enabling Act or the by-laws of the Issuer, (B) require consent under (which has not heretofore been received) or result in a breach of or default under any credit agreement, purchase agreement, indenture, mortgage, deed of trust, commitment, guaranty, lease or other agreement or instrument to which the Issuer is a party or by which the Issuer may be bound or affected, or (C) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Issuer or any of the Property of the Issuer.

13. The Issuer has duly authorized the taking of and has taken any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Issuer Documents.

14. Each of the representations and warranties of the Issuer contained in the each of the Issuer Documents is true, accurate and complete on and as of the date hereof as if such representations and warranties were made on and as of the date hereof.

15. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to our knowledge, threatened against or affecting the Issuer (nor, to our knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would adversely affect (A) the transactions contemplated by the Bond Resolution (defined below), (B) the validity or the enforceability of the Bond Resolution or the Issuer Documents or the transactions contemplated therein, or (C) the existence or organization of the Issuer.

16. The Issuer Documents (exclusive of the Bonds) have been each duly executed and delivered, and, where appropriate, acknowledged on behalf of the Issuer by the (Vice) Chairman or Chief Executive Officer of the Issuer; the signature of said officer is the genuine signature of such officer; and the Issuer Documents are in substantially the same form as the forms thereof presented to the Directors of the Issuer and approved by the Bond Resolution (defined below).

17. The Bonds have been duly executed on behalf of the Issuer by the (Vice) Chairman or Chief Executive Officer of the Issuer, and the seal thereon imprinted was attested on behalf of the Issuer by the (Assistant) Secretary of the Issuer; the signatures of said officers thereon are the genuine signatures of such officers; and the seal of the Issuer imprinted on the Bonds is the corporate seal of the Issuer; and the Bonds contains the same terms as the terms thereof presented to the directors of the Issuer and approved by the Bond Resolution.

18. Pursuant to a resolution adopted by the Directors of the Issuer on March 3, 2016 (the "Series 2017 Public Hearing Resolution"), the Issuer agreed to accept the Application and authorized a public hearing to be held with respect to the Project. Attached hereto as Exhibit E is a certified copy of the Public Hearing Resolution.

19. Attached hereto as Exhibit F are affidavits of mailing and posting of notice of the public hearing held with respect to the Project pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") (the "Public Hearing").

20. Attached hereto as Exhibit G is the affidavit of publication of notice of the Public Hearing.

21. Attached hereto as Exhibit H is the report of the Public Hearing (the "Report").

22. Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the "Regulations," and collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Issuer on July 28, 2016 (the "SEQR Resolution"), the Agency (1) determined that the Initial Series 2017 Project constitutes an "Unlisted Action" (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project. Attached hereto as Exhibit I is a certified copy of the SEQR Resolution.

23. By resolution adopted by the Board of Representatives of Otsego County, New York on June 1, 2016 (the "Series 2017 Public Approval"), the Board of Representatives of Otsego County, New York approved the issuance of the Bond for purposes of Section 147(f) of the Code. Attached hereto as Exhibit J is a copy of the Public Approval.


24. Attached hereto as Exhibit K is a true, correct and complete copy of the resolution of the Directors of the Issuer adopted on July 28, 2016 (the "Bond Resolution") approving and authorizing execution of the Issuer Documents. Such Bond Resolution was duly adopted by the Directors of the Issuer, has not been amended or modified since its adoption and is in full force and effect as of the date of this certificate in accordance with its terms.

25. The Issuer is not contemplating instituting bankruptcy, insolvency or similar proceedings against itself.

26. The Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed and satisfied by the terms of the Issuer Documents on or prior to the Closing Date.

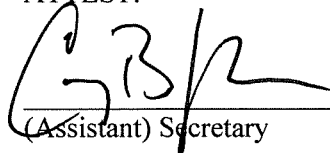
IN WITNESS WHEREOF, we have hereunto set our respective signatures as such officers of the Issuer and have affixed the seal of the Issuer this 27 day of March, 2017.

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

BY:   
(Vice) Chairman

- SEAL -

ATTEST:

  
(Assistant) Secretary

The undersigned, A. Joseph Scott, III, counsel for the Issuer, hereby certifies that the signatures of the officers of the Issuer subscribed to and contained in the foregoing General Certificate of the Issuer are true and genuine and that the seal impressed thereon is a true and correct impression of the corporate seal of the Issuer.

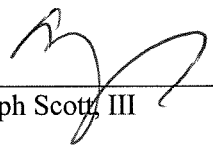
  
A. Joseph Scott, III

EXHIBIT A  
SPONSOR RESOLUTION

RESOLUTION NO. 300-20081001

RESOLUTION - APPROVING THE PROPOSED CERTIFICATE OF  
INCORPORATION AND CONSENTING TO THE FORMATION OF A LOCAL  
DEVELOPMENT CORPORATION

JOHNSON, SCHWERD, MCCARTY, ROTHENBERGER

BE IT ENACTED by the Board of Representatives of the County of Otsego, New York (the "Board of Representatives"), as follows:

WHEREAS, on January 31, 2008, Section 854 of the General Municipal Law, commonly referred to as the Civic Facilities Legislation (the "Law") expired and, since the expiration of the Law, industrial development agencies have not been able to provide financial assistance to projects owned or operated by not-for-profit corporations (hereinafter referred to as "Civic Facility Projects"); and

WHEREAS, the ability to finance Civic Facility Projects with tax-exempt bonds has been a very important tool for the County of Otsego Industrial Development Agency (the "Agency"), as the Civic Facility Projects undertaken by the Agency have increased employment opportunities for residents of Otsego County and allowed local not-for-profit corporations to upgrade their facilities at the lowest possible cost; and

WHEREAS, by resolution adopted by the members of the Agency on September 4, 2008 (the "Approving Resolution"), the members of the Agency agreed to request the consent and authorization of the Board of Representatives to form a local development corporation under Section 1411 of the New York State Not For Profit Corporation Law (the "NFPCL"); and

WHEREAS, local development corporations formed under the NFPCL are created to assist, among others, not for profit corporations that are undertaking projects

that further any of the following purposes for which local development corporations are created: (1) relieving and reducing unemployment, (2) promoting and providing for additional and maximum employment, (3) bettering and maintaining job opportunities, (4) instructing or training individuals to improve or develop their capabilities for such jobs, (5) carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and (6) lessening the burdens of government and acting in the public interest; and

WHEREAS, in furtherance of the public purposes set forth above, a local development corporation formed under the NFPCL is empowered to take the following actions: (1) to construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the territory in which its operations are principally to be conducted, (2) to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain such plants for others in such territory, (3) to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto, (4) to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein, (5) to borrow money and to issue negotiable bonds, notes and other obligations therefor, and (6) to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon such terms as it may determine to be suitable; and

WHEREAS, under the laws of the State of New York, local development corporations are permitted to issue tax-exempt bonds for the benefit of qualifying Civic Facility Projects; and

WHEREAS, in accordance with Section 1411(a) of the NFPCL, prior to forming a local development corporation, the Agency must obtain the Board of Representatives' approval of the certificate of incorporation that will be used to form the local development corporation; and

WHEREAS, the Agency has prepared a proposed certificate of incorporation for review by the Board of Representatives and a copy of such proposed certificate of incorporation is attached hereto as **Schedule A**; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Representatives as follows:

Section 1. The Board of Representatives authorizes the Agency to form a local development corporation in accordance with Section 1411 of the NFPCL; provided, however, that any obligations issued by the local development corporation, and the premium (if any) and interest thereon, shall be special obligations of the local development corporation and shall never be a debt of the State of New York, the County of Otsego, New York or any political subdivision thereof (other than the local development corporation), and neither the State of New York, the County of Otsego, New York nor any political subdivision thereof (other than the local development corporation) shall be liable thereon.



Section 2. The Board of Representatives approves the form and substance of the certificate of incorporation presented at this meeting and attached hereto as **Schedule A**, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) and the County Attorney shall approve.

Section 3. This resolution shall take effect immediately.

## SCHEDULE A

**A Not-For-Profit Local Development Corporation  
Under Section 402 and 1411 of the Not-For-Profit  
Corporation Law of the State of New York**

THE UNDERSIGNED, being over the age of eighteen years, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 of the N-PCL of the State of New York (the "N-PCL"), hereby certifies as follows:

**FIRST:** The name of the corporation shall be Otsego County Capital Resource Corporation (hereinafter referred to as the "Corporation").

**SECOND:** The Corporation will be a corporation as defined in subparagraph (a)(5) of Section 102 of the N-PCL and, as provided in Section 1411 of the N-PCL, will be a Type C Corporation as defined in Section 201 of the N-PCL. The Corporation shall be a public instrumentality of, but separate and apart from, Otsego County (the "County").

**THIRD:** The purpose for which the Corporation is to be formed and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is to lessen the burdens of government by fulfilling the purposes now or hereafter referred to in Section 1411(a) of the N-PCL including, without limitation, by means of engaging in the following activities:

(a) promoting community and economic development and the creation of jobs in the non-profit and for profit sectors for the citizens of the County by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects;

(b) issuing and selling one or more series or classes of bonds, notes and other obligations (the "Obligations") through public letting, private placement, or negotiated underwriting to finance activities referred to in subparagraph (a) above, on a secured or unsecured basis;

(c) engaging the services of one or more underwriters, placement agents, consultants, attorneys, financial advisors and other persons whose services may be appropriate or desirable in connection with the acquisition and financing referred to above;

(d) undertaking projects within the County that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging

the development of or retention of an industry in the County, and lessening the burdens of government and acting in the public interest; and

(e) in general, performing any and all acts and things, and exercise and any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

**FOURTH:** The activities referred to in subparagraph (a) of paragraph **THIRD** above will achieve the lawful public purposes of lessening the burdens of government, the carrying out of such purposes and the exercise of the powers conferred on the Corporation being the performance of an essential governmental function, it being understood that the performance of such activities will assist the County in reducing unemployment and promoting additional job growth and economic development.

**FIFTH:** The operations of the Corporation will be conducted within the territory of the County. Notwithstanding any other provision of this Certificate of Incorporation, the by laws and any provision of law, so long as any Obligations remain outstanding, the Corporation shall not do any of the following:

(a) engage in any business or activity other than as set forth in paragraph **THIRD**;

(b) without the consent of the County and the affirmative vote of two thirds of the members of the Board of Directors of the Corporation, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph; or

(c) without the affirmative vote of two thirds of the members of the Board of Directors of the Corporation, merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by paragraph **THIRD** hereof, sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity.

When voting on whether the Corporation will take any action described in paragraph (b) above, each Director shall owe his or her primary fiduciary duty or other obligation to the Corporation (including, without limitation, the Corporation's creditors) and not to the members of the Corporation (except as may specifically be required by the Not-For-Profit Corporation Law). Every Director of the Corporation shall be deemed

to have consented to the foregoing by virtue of such Director's appointment as a Director of the Corporation.

**SIXTH:** Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law.

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes or accrue and, subject to the Corporation's responsibilities under the Obligations, be paid to the New York Job Development Authority.

(b) The property of the Corporation is irrevocably dedicated to charitable purposes. No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to, any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest, except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall dissolve in accordance with the provisions of paragraph (g) of Section 1411 of the N-PCL upon the repayment or other discharge in full by the Corporation or all such loans.

**SEVENTH:** (a) The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate in or intervene, directly or indirectly, any political campaign on behalf of or in opposition to any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(c) The Corporation shall not accept a mortgage loan or loans from the New York Job Development Authority.

**EIGHTH:** In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all of the remaining assets and property of the Corporation to the County. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the N-PCL.

**NINTH:** The office of the Corporation shall be located in Otsego County, New York. The Corporation at all times shall:

(a) upon request by the County, the Corporation shall make available any and all books and records of the Corporation for inspection by the Chairman of the Board of Representatives and his or her staff; and

(b) submit to the Board of Representatives an annual financial report together with a report of the operations and accomplishments of the Corporation for such annual period.

(c) The Board of Representatives, the New York State Authority Budget Office and the New York State Comptroller shall have the right to conduct an annual audit of the books and records of the Corporation.

**TENTH:** The sole member of the Corporation shall be the County.

**ELEVENTH:** The Corporation shall be managed by a Board of Directors, who shall be comprised of those persons named in paragraph TWELFTH hereof (the "Directors"). Each of the Directors shall serve at the pleasure of the governing body of the County and continue to hold office until his successor is appointed and has qualified in accordance with the Corporation's By-laws.

The Corporation is a public body (as such term is defined in the Open Meetings Law) and, as such, each meeting of the Board of Directors of the Corporation shall be conducted in the manner prescribed by the Open Meetings Law. The Directors will not receive compensation for services provided to or on behalf of the Corporation.

**TWELFTH:** The Corporation shall consist of not less than three nor more than nine Directors. The Directors will be appointed by the governing body of the County and shall include (a) the Chairman of County of Otsego Industrial Development Agency, (b) the Vice-Chairman of County of Otsego Industrial Development Agency, (c) the Treasurer of County of Otsego Industrial Development Agency, (d) the Secretary of County of Otsego Industrial Development Agency, and (e) any additional members of the County of Otsego Industrial Development Agency.

(a) The names of the Directors are as follows:

- (i) Joseph A. Bernier, Chairman
- (ii) Len Marsh, Vice Chairman
- (iii) Jeffrey C. Lord, Treasurer
- (iv) Sharon A. Oberriter, Secretary
- (v) Gregory Relic, Member
- (vi) Hugh I. Henderson, Member
- (vii) Walter Buist, Member
- (viii) James Salisbury, Member
- (ix) James M. Jordan, Member

It is acknowledged that the Directors hold comparable positions with County of Otsego Industrial Development Agency established by Chapter 252 of the 1973 Laws of the State of New York, as amended. By reason of the shared public purposes of the Corporation and the County of Otsego Industrial Development Agency, none of the Directors of the Corporation shall be deemed to have a conflict of interest solely due to such person's position with the County of Otsego Industrial Development Agency.

The powers of the corporation set forth in paragraph THIRD hereof shall be subject to the following limitations:

(A) The Corporation shall not undertake a project, issue Obligations or otherwise provide any type of financial assistance to any entity without the County of Otsego Industrial Development Agency first requesting that the Corporation undertake a project or provide financial assistance to any entity.

(B) The bonds or notes and other obligations of the Corporation shall not be a debt of the State of New York or the County of Otsego, and neither the State of New York nor the County of Otsego shall be liable thereon, nor shall they be payable out of any funds other than those of the Corporation.

(C) The Corporation shall hold a public hearing on any financial assistance in excess of \$100,000 proposed to be provided by the Corporation to a project at which interested parties shall be provided with reasonable opportunity, both orally and in writing, to present their views with respect to the project. The Corporation shall give the same notice of such hearing as the County of Otsego Industrial Development Agency would be required to give pursuant to the provisions of Section 859-a and b of the General Municipal Law of the State of New York as if such hearing was a public hearing of the County of Otsego Industrial Development Agency with respect to a project.

**THIRTEENTH:** The Corporation will be subject to the Public Authorities Accountability Act of 2005 (the "Act"). As such, the Corporation will be required to, among other things: (1) undergo annual independent audits and submit the results of such audits to the County and the New York State Authority Budget Office, (2) prepare and submit its annual budget to the County and the New York State Authority Budget Office, (3) adopt the various ethical, reporting, property disposition and disclosure policies required by the Act, and (4) form governance and audit committees to ensure the Corporation is in compliance with the Act and any other applicable laws.

**FOURTEENTH:** The Secretary of State of the State of New York is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her is c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820, Attn: Carolyn Lewis, Chief Executive Officer.



EXHIBIT B  
CERTIFICATE OF INCORPORATION



***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on March 20, 2015.

*Anthony Giardina*

Anthony Giardina  
Executive Deputy Secretary of State

081015000378

A Not-For-Profit Local Development Corporation  
Under Section 402 and 1411 of the Not-For-Profit  
Corporation Law of the State of New York

THE UNDERSIGNED, being over the age of eighteen years, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the "N-PCL"), hereby certifies as follows:

**FIRST:** The name of the corporation shall be Otsego County Capital Resource Corporation (hereinafter referred to as the "Corporation").

**SECOND:** The Corporation will be a corporation as defined in subparagraph (a)(5) of Section 102 of the N-PCL and, as provided in Section 1411(b) of the N-PCL, will be a Type C Corporation as defined in Section 201 of the N-PCL. The Corporation shall be a public instrumentality of, but separate and apart from, Otsego County (the "County").

**THIRD:** The purpose for which the Corporation is to be formed and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is to lessen the burdens of government by fulfilling the purposes now or hereafter referred to in Section 1411(a) of the N-PCL including, without limitation, by means of engaging in the following activities:

(a) promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the County by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects;

(b) issuing and selling one or more series or classes of bonds, notes and other obligations (the "Obligations") through public letting, private placement, or negotiated underwriting to finance activities referred to in subparagraph (a) above, on a secured or unsecured basis;

(c) engaging the services of one or more underwriters, placement agents, consultants, attorneys, financial advisors and other persons whose services may be appropriate or desirable in connection with the acquisition and financing referred to above;

(d) undertaking projects and activities within the County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest;

(e) entering into contracts with any other economic development organizations sponsored by the County to help achieve the purposes described in paragraph (d) above; and

(f) in general, performing any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

**FOURTH:** The activities referred to in subparagraph (a) of paragraph THIRD above will achieve the lawful public purposes of lessening the burdens of government, the carrying out of such

purposes and the exercise of the powers conferred on the Corporation being the performance of an essential governmental function, it being understood that the performance of such activities will assist the County in reducing unemployment and promoting additional job growth and economic development.

**FIFTH:** The operations of the Corporation will be conducted within the territory of the County. Notwithstanding any other provision of this Certificate of Incorporation, the by-laws and any provision of law, so long as any Obligations remain outstanding, the Corporation shall not do any of the following:

(a) engage in any business or activity other than as set forth in paragraph **THIRD**;

(b) without the consent of the County and the affirmative vote of two thirds of the members of the Board of Directors of the Corporation, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph; or

(c) without the consent of the County and the affirmative vote of two thirds of the members of the Board of Directors of the Corporation, merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by paragraph **THIRD** hereof, sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity.

When voting on whether the Corporation will take any action described in paragraph (b) above, each Director shall owe his or her primary fiduciary duty or other obligation to the Corporation (including, without limitation, the Corporation's creditors) and not to the members of the Corporation (except as may specifically be required by the N-PCL). Every Director of the Corporation shall be deemed to have consented to the foregoing by virtue of such Director's appointment as a Director of the Corporation.

**SIXTH:** Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law.

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes or accrue and, subject to the Corporation's responsibilities under the Obligations, be paid to the New York Job Development Authority.

(b) No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to, any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest, except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall dissolve in accordance with the provisions of paragraph (g) of Section 1411 of the N-PCL upon the repayment or other discharge in full by the Corporation or all such loans.

**SEVENTH:** (a) The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate in or intervene, directly or indirectly, any political campaign on behalf of or in opposition to any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(c) The Corporation shall not accept a mortgage loan or loans from the New York Job Development Authority.

**EIGHTH:** In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all of the remaining assets and property of the Corporation to the County, so that the County can use such assets and property to accomplish the purposes set forth in Section 1411(a) of the N-PCL. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the N-PCL.

**NINTH:** The office of the Corporation shall be located in Otsego County, New York. The Corporation at all times shall:

(a) upon request by the County, the Corporation shall make available any and all books and records of the Corporation for inspection by the Chairman of the Board of Representatives and his or her staff; and

(b) submit to the Board of Representatives an annual financial report together with a report of the operations and accomplishments of the Corporation for such annual period.

(c) The governing body of the County, the New York State Authority Budget Office and the New York State Comptroller shall have the right to conduct an annual audit of the books and records of the Corporation.

**TENTH:** The sole member of the Corporation shall be the County.

**ELEVENTH:** The Corporation shall be managed by a Board of Directors, who shall be comprised of those persons named in paragraph TWELFTH hereof (the "Directors"). Each of the Directors shall serve at the pleasure of the governing body of the County and continue to hold office until his successor is appointed by the governing body of the County.

The Corporation is deemed to be a public body (as such term is defined in the Open Meetings Law) and, as such, each meeting of the Board of Directors of the Corporation shall be conducted in the manner prescribed by the Open Meetings Law. The Directors will not receive compensation for services provided to or on behalf of the Corporation.

**TWELFTH:** The Corporation shall consist of not less than three nor more than nine Directors. The Directors will be appointed by the governing body of the County and shall include (a) the Chairman of County of Otsego Industrial Development Agency, (b) the Vice-Chairman of County of Otsego Industrial Development Agency, (c) the Treasurer of County of Otsego Industrial Development Agency, (d) the Secretary of County of Otsego Industrial Development Agency, and (e) any additional members of the County of Otsego Industrial Development Agency.

(a) The names and addresses of the initial Directors of the Corporation are as follows:

(i) Joseph A. Bernier, Chairman, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(ii) Len Marsh, Vice Chairman, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(iii) Jeffrey C. Lord, Treasurer, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(iv) Sharon A. Oberriter, Secretary, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(v) Gregory Relic, Member, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(vi) Hugh I. Henderson, Member, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(vii) Walter Buist, Member, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(viii) James Salisbury, Member, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

(ix) James M. Jordan, Member, c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820.

It is acknowledged that the Directors hold comparable positions with County of Otsego Industrial Development Agency established by Chapter 252 of the 1973 Laws of the State of New York, as amended. By reason of the shared public purposes of the Corporation and the County of Otsego Industrial Development Agency, none of the Directors of the Corporation shall be deemed to have a conflict of interest solely due to such person's position with the County of Otsego Industrial Development Agency.

The powers of the corporation set forth in paragraph THIRD hereof shall be subject to the following limitations:

(A) The Corporation shall not undertake a project, issue obligations or otherwise provide any type of financial assistance to any entity without the County of Otsego Industrial Development Agency first requesting that the Corporation undertake such project, issue such obligations or provide such financial assistance to such entity.

(B) The bonds or notes and other obligations of the Corporation shall not be a debt of the State of New York or the County of Otsego, and neither the State of New York nor the County of Otsego shall be liable thereon, nor shall they be payable out of any funds other than those of the Corporation.

(C) The Corporation shall hold a public hearing on any financial assistance in excess of \$100,000 proposed to be provided by the Corporation to a project at which interested parties shall be provided with reasonable opportunity, both orally and in writing, to present their views with respect to the project. The Corporation shall give the same notice of such hearing as the County of Otsego Industrial

Development Agency would be required to give pursuant to the provisions of Section 859-a and b of the General Municipal Law of the State of New York as if such hearing was a public hearing of the County of Otsego Industrial Development Agency with respect to a project.

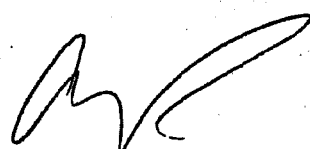
**THIRTEENTH:** The Corporation will be subject to the Public Authorities Accountability Act of 2005 (the "Act"). As such, the Corporation will be required to, among other things: (1) undergo annual independent audits and submit the results of such audits to the County and the New York State Authority Budget Office, (2) prepare and submit its annual budget to the County and the New York State Authority Budget Office, (3) adopt the various ethical, reporting, property disposition and disclosure policies required by the Act, and (4) form governance and audit committees to ensure the Corporation is in compliance with the Act and any other applicable laws.

**FOURTEENTH:** The Secretary of State of the State of New York is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her is c/o County of Otsego Industrial Development Agency, 242 Main Street, Oneonta, New York 13820, Attn: Carolyn Lewis, Chief Executive Officer.

**FIFTEENTH:** The By-laws of the Corporation may be adopted, amended or repealed by a majority of the Directors of the Corporation upon 30 days notice to all of the Directors, provided, however, that the Corporation shall not amend, alter, change or repeal any provision of the adopted By-laws without the consent of the County.

**SIXTEENTH:** The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in any manner now or hereafter provided herein or by statute; provided, however, that (1) so long as any Obligations remain outstanding, the Corporation shall not amend, alter, change or repeal any provision of Paragraphs THIRD, FIFTH, NINTH, TENTH, ELEVENTH, TWELFTH, FOURTEENTH, FIFTEENTH and SIXTEENTH of this Certificate of Incorporation (the "Restricted Articles") without the affirmative vote of two-thirds of the members of the Board of Directors of the Corporation and the consent of the County, and (2) the Corporation shall not amend or change any provision of any Article other than the Restricted Articles so as to be inconsistent with the Restricted Articles, and provided further, that all the Directors shall have received 30 days advance notice of any proposed amendment, alteration, change or repeal.

IN WITNESS WHEREOF, this certificate has been subscribed by the undersigned this 14th day of October, 2008.



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A. Joseph Scott, III, Incorporator  
Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York 12207

081015000378

**CERTIFICATE OF INCORPORATION**  
**OF**  
**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

Under Sections 402 and 1411 of the Not-For-Profit  
Corporation Law of the State of New York

Filed by: A. Joseph Scott, III, Esq.  
Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York 12207

STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED OCT 15 2008  
TAX \$ \_\_\_\_\_  
BY: JCH  
OTSEGO

JCH

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EXHIBIT C  
BY-LAWS OF THE ISSUER



**BY-LAWS**  
**OF**  
**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

**ARTICLE I**  
**THE CORPORATION**

**Section 1. Name.** The name of the Corporation is “Otsego County Capital Resource Corporation.”

**Section 2. Seal of Corporation.** The seal of the Corporation will be in the form of a circle and will bear the name of the Corporation and the year of its organization.

**Section 3. Office of Corporation.** The office of the Corporation will be in Otsego County, New York.

**Section 4. Execution of Instruments.** Except as otherwise provided in these by-laws, instruments and documents of the Corporation may be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the Corporation may designate by resolution.

**ARTICLE II**  
**MEMBERS, DIRECTORS, OFFICERS AND COMMITTEES**

**Section 1. Sole Member.** Otsego County (the “County”) is the sole member of the Corporation.

**Section 2. Board of Directors.** (A) The Corporation will consist of not less than three nor more than nine Directors. The Directors will be appointed by and serve at the pleasure of the governing body of the County and will include (a) the Chairman of County of Otsego Industrial Development Agency, (b) the Vice-Chairman of County of Otsego Industrial Development Agency, (c) the Treasurer of County of Otsego Industrial Development Agency, (d) the Secretary of County of Otsego Industrial Development Agency, and (e) any additional members of the County of Otsego Industrial Development Agency. It is acknowledged that the members of the County of Otsego Industrial Development Agency are appointed by and serve at the pleasure of the Otsego County Board of Representatives.

(B) Except for Directors who serve as Directors by virtue of holding a civil office of the State, the majority of the remaining Directors appointed after January 13, 2006 will be “Independent Directors.”

(C) For purposes of these by-laws, the term “Independent Director” means a Director one who: (1) is not, and in the past two years has not been, employed by the Corporation (or an “Affiliate” of the Corporation) in an executive capacity; (2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Corporation or received any other form of financial assistance valued at more than \$15,000 from the Corporation; (3) is not a relative of an executive officer or employee in an executive position of the Corporation (or an “Affiliate” of the Corporation); and (4) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Corporation (or an “Affiliate” of the Corporation).

(D) For purposes of these by-laws, the term “Affiliate” means a corporate body having substantially the same ownership or control as the Corporation.

(E) For purposes of these by-laws, the term “Relative” means an individual's spouse, child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the individual or of the individual's spouse.

**Section 3. Term of Service.** Directors are not subject to term limits. Each Director is appointed by and serves at the pleasure of the Otsego County Board of Representatives. Accordingly, a Director may be removed without cause at any time for any reason.

**Section 4. Filling of Vacancies.** Should any Director position become vacant, the Corporation will take steps to recommend to the Otsego County Board of Representatives one or more nominees to fill the vacancy. The decision to appoint a particular individual as a Director rests solely with the Otsego County Board of Representatives.

**Section 5. Responsibilities of Directors; Training Requirement.** (A) The Directors of the Corporation constitute the governing body of the Corporation (the “Board”), and will have and will responsibly exercise all of the powers prescribed by Section 1411 of the New York State Not-for-Profit Corporation Law and other applicable law, including but not limited to Chapter 766 of the 2005 Laws of the State of New York (the “PAAA”).

(B) The Board will appoint a Chief Executive Officer and a Chief Financial Officer of the Corporation, neither of whom will be a Director of the Corporation.

(C) Every annual financial report of the Corporation must be approved by the Board and provided to the County.

(D) The Directors of the Corporation will: (1) execute direct oversight of the Chief Executive Officer of the Corporation and other senior management of the Corporation in the effective and ethical management of the Corporation; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation.

(E) The Board will not, directly or indirectly, including through a subsidiary, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Director or employee (or equivalent thereof) of the Corporation.

(F) Directors of the Corporation will file annual financial disclosure statements with the Otsego County Board of Ethics.

(G) Individuals newly appointed to the Board of the Corporation must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Directors who have already completed state approved training will participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

**Section 6. Officers of the Board.** (A) The officers of the Board will be a Chairman, a Vice Chairman, a Secretary, and a Treasurer.

(B) The officers of the Board will perform the duties and functions specified in these by-laws and such other duties and functions as may from time to time be authorized by resolution of the Board of the Corporation or required to effect the statutory purposes of the Corporation.

(D) Should any office of the Board become vacant, the Corporation will appoint a successor from among its Directors at the next regular meeting, and such appointment will be for the unexpired term of said office.

**Section 7. Chairman.** The Chairman will be a Director of the Corporation and preside at all meetings of the Corporation. The Chairman will sign all agreements, contracts, deeds and any other instruments on behalf of the Corporation, except as otherwise authorized or directed by resolution of the Corporation. The Chairman will submit his recommendations and such information as he has deemed pertinent concerning the business, affairs and policies of the Corporation, at each meeting.

**Section 8. Vice Chairman.** The Vice Chairman will be a Director of the Corporation and perform the duties of the Chairman in the absence or incapacity of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman will become acting Chairman and perform the duties of the Chairman until such time as the Corporation appoints a new Chairman.

**Section 9. Secretary.** The Secretary will be a Director of the Corporation. He will keep all records of the Corporation, will act as secretary at the meetings of the Corporation, will keep a record of all votes thereat. He will record the proceedings of the Corporation in a journal of proceedings to be kept for such purpose. He will perform all duties incident to this office. He will have custody of the seal of the Corporation, and will have the power to affix such seal to all contracts and other instruments authorized by the Corporation to be executed.

**Section 10. Treasurer.** The Treasurer will be a Director of the Corporation. Except as otherwise authorized by resolution of the Board, the Treasurer of the Corporation will sign all checks for the payment of money of the Corporation; and will pay out and disburse such moneys under the direction of the Board. Except as otherwise authorized by resolution of the Board, all such checks will be countersigned by the Chairman of the Corporation. The Treasurer, in coordination with the Corporation's chief financial officer, will render to the Corporation at each regular meeting an account of the financial transactions and the current financial condition of the Corporation.

**Section 11. Governance Committee.** (A) The Chairman will appoint a Governance Committee, to be comprised of Independent Directors.

(B) The Governance Committee will: (1) keep the Board informed of current best governance practices; (2) review corporate governance trends; (3) update the Corporation's corporate governance principles; and (4) advise the Board on the skills and experiences required of potential Directors of the Board.

**Section 12. Audit Committee.** (A) The Chairman will appoint an Audit Committee, to be comprised of Independent Directors.

(B) To the extent practicable, Directors of the Audit Committee should be familiar with corporate financial and accounting practices.

(C) The Audit Committee will ensure that the Corporation arranges for the timely preparation and appropriate filing of the annual budget, the annual financial statements, the annual financial reports and the annual financial audit required under the laws of New York State.

(D) The Audit Committee will recommend to the Board the hiring of a certified independent public accounting firm for the Corporation, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose. The Audit Committee will not recommend the hiring of a certified independent public accounting firm to provide audit services to the Corporation if the Chief Executive Officer, comptroller, Chief Financial Officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one year period preceding the date of the initiation of the audit.

(E) If the lead (or coordinating) audit partner (having primary responsibility for the audit) of the certified independent public accounting firm proposing to provide an annual independent audit for the Corporation, or the audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five previous fiscal years of the Corporation, the Audit Committee will prohibit such certified independent public accounting firm from providing an annual independent audit for the Corporation.

(F) The Audit Committee will require that each certified independent public accounting firm that performs for the Corporation an audit required by law will timely report to

the Audit Committee: (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and (3) other material written communications between the certified independent public accounting firm and the management of the Corporation, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

(G) The Audit Committee will prohibit the certified independent public accounting firm providing an annual independent audit for the Corporation from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the Audit Committee, including: (1) bookkeeping or other services related to the accounting records or financial statements of the Corporation; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions, (7) broker or dealer, investment advisor, or investment banking services; and (8) legal services and expert services unrelated to the audit.

**Section 13. Additional Duties.** The officers of the Corporation will perform such other duties and functions as may from time to time be required by the Corporation, by its by-laws, or by its rules and regulations.

**Section 14. Appointment of Officers.** All officers of the Corporation except the first Chairman will be appointed at the annual meeting of the Corporation. Officers will hold office for one year or until their successors are appointed. If the term of an Corporation Director should terminate, his term of office as an officer will also terminate.

## ARTICLE III

### MEETINGS

**Section 1. Annual Meeting.** The annual meeting of the Corporation will be held on the first Thursday of February at the time and place determined by the Corporation.

**Section 2. Regular Meetings.** Regular meetings of the Corporation may be held at such times and places as from time to time may be determined by the Corporation.

**Section 3. Special Meetings.** The Chairman of the Corporation may, when he deems it desirable, and will upon the written request of two Directors of the Corporation, call a special meeting of the Corporation for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Director of the Corporation or may be mailed to the business or home address of each Director of the Corporation at least two days prior to the date of such special meeting. Waivers of notice may be signed by any Director failing to receive a proper notice. At such special meeting, no business will be considered other than as designated in the call, but if all Directors of the

Corporation are present at a special meeting, with or without notice thereof, and are all agreeable thereto, any and all business may be transacted at such special meeting.

**Section 4. Executive Sessions.** When determined by the Corporation that any matter pending before it is confidential in nature, it may, upon its own motion, establish an executive session in accordance with the New York State Open Meetings Law and exclude non-Directors from such sessions.

**Section 5. Quorum.** At all meetings of the Corporation, a majority of the Corporation will constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until a quorum is obtained.

**Section 6. Order of Business.** At the regular meetings of the Corporation, the following will be the order of business:

1. Roll Call.
2. Reading and approval of the minutes of the previous meeting.
3. Report of the Treasurer.
4. Bills and communications.
5. Reports of Committees.
6. Resolutions and motions.
7. Unfinished business.
8. New business.
9. Adjournment.

**Section 7. Manner of Voting.** The voting on all questions coming before the Corporation concerning financial commitments, expenditures, personnel matters, appointments, litigation, legal indebtedness, contracts, and agreements will be by roll call, all other questions may be by voice vote, and yeas and nays will be entered on the minutes of such meeting, except in the case of appointments when the vote may also be by ballot. The Corporation Attorney will decide which questions coming before the Corporation require a roll call vote. Any action of the Corporation will be binding upon determination by a majority vote of the Directors of the Corporation.

## ARTICLE IV

### EXECUTIVE OFFICERS AND EMPLOYEES

**Section 1. Chief Executive Officer.** (A) The Chief Executive Officer will be appointed by the Board, and will be the chief executive officer of the Corporation.

(B) The Chief Executive Officer will have general supervision over the administration of the business and affairs of the Corporation, subject to the direction of the Board. Whenever possible, the Chief Executive Officer will attend each meeting of the Board, and will submit such recommendations and information to the Board as the Chief Executive Officer may consider proper concerning the business, affairs and policies of the Corporation.

(C) The Chief Executive Officer will be charged with the management of all projects of the Corporation.

(D) The Chief Executive Officer will also serve as the Contracting Officer (as such term is defined in the PAAA) of the Corporation, and, as such, be responsible for (1) the disposition of property of the Corporation, and (2) the Corporation's compliance with the Corporation's property use and disposition guidelines.

(E) Every annual financial report of the Corporation must be certified in writing by the Chief Executive Officer that based on the Chief Executive Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

**Section 2. Chief Financial Officer.** (A) The Chief Financial Officer will have the care and custody of all funds of the Corporation and will deposit the same in the name of the Corporation in such bank or banks as the Board may select or, if the Board have not so selected a bank or banks, which the Chief Financial Officer selects.

(B) The Chief Financial Officer will keep regular books of accounts showing receipts and expenditures, and will render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Corporation.

(C) The Chief Financial Officer will give such bond for the faithful performance of his duties as the Corporation may determine.

(D) Every annual financial report of the Corporation must be certified in writing by the Chief Financial Officer that based on the Chief Financial Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

**Section 3. Additional Personnel.** The Corporation may from time to time employ such personnel as it deems necessary to exercise its power, duties and functions as prescribed by the New York State Not-for-Profit Corporation Law and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel including the Chief Executive Officer will be determined by the Corporation subject to the laws of the State of New York. The Corporation may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties and functions. The selection and compensation of all personnel will be determined by the Corporation.

**Section 4. Financial Disclosure.** Officers and employees of the Corporation will file annual financial disclosure statements with the Otsego County Board of Ethics.

## ARTICLE V

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

**Section 1. Right of Indemnification.** Each Director and officer of the Corporation, whether or not then in office, and any person whose testator or intestate was such a Director or officer, will be indemnified by the Corporation for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Corporation will provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Director or officer only if such action or proceeding (or part thereof) was authorized by the Board.

**Section 2. Advancement of Expenses.** (A) Expenses incurred by a Director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article V may be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Director or officer to repay such advancement in case such Director or officer is ultimately found not to be entitled to indemnification as authorized by this Article V and (2) approval by the Board.

(B) To the extent permitted by law, the Board will not be required to find that the Director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Corporation makes any advance payment of expenses hereunder.

**Section 3. Availability and Interpretation.** To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article V (A) will be available with respect to events occurring prior to the adoption of this Article V, (B) will continue to exist after any rescission or restrictive amendment of this Article V with respect to events occurring prior to such rescission or amendment, (C) will be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Director or officer (or, if applicable, at the sole discretion of the testator or intestate of such Director or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) will be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Corporation and the Director or officer for whom such rights are sought were parties to a separate written agreement.

**Section 4. Other Rights.** The rights of indemnification and to the advancement of expenses provided in this Article V will not be deemed exclusive of any other rights to which any Director or officer of the Corporation or other person may now or hereafter be otherwise entitled, whether contained in these by-laws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article V will not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Director or officer of



the Corporation or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Corporation or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

**Section 5. Severability.** If this Article V or any part hereof is held unenforceable in any respect by a court of competent jurisdiction, it is deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article V will remain fully enforceable. Any payments made pursuant to this Article V will be made only out of funds legally available therefor.

## ARTICLE VI

### POLICIES & PROCEDURES

**Section 1. Projects.** It is the policy of this Corporation that the Corporation will only undertake projects that are not authorized by Article 18A of the New York State General Municipal Law (the "New York State Industrial Development Agency Act") unless the Corporation receives a written request from County of Otsego Industrial Development Agency asking the Corporation to consider undertaking such project.

#### **Section 2. Miscellaneous.**

(A) The Corporation will not approve any project to be located on a site or within an area which does not conform to or has not been granted a variance from the zoning laws of the State, county, town or village.

(B) The Corporation will not approve any project which would be in violation of New York State Environmental Quality Review Act.

(C) The Corporation will not approve any project which would be or is in violation of the health, labor or other laws of the State of New York or the United States or of the local laws of the County of Otsego, city, village or township.

#### **Section 3. Audit of Records and Accounts.**

(A) The Corporation will annually secure a certified audit of its financial records and accounts and will file a copy of such certified audit with the Otsego County Board of Representatives within ninety days after the close of the Corporation's fiscal year.

(B) The Corporation may require any other operating statements that it determines is required for daily operation.

**Section 4. Conveyance of Property.** The Corporation may insert in a contract for a project that upon the payment in full of all notes, bonds and indebtedness incurred in connection with a project that the Corporation will convey the lands, buildings and equipment involved in said project and so paid for to the tenant or operator of the same upon terms set forth in such contract and that the additional consideration for such conveyance may be nominal.

**Section 5. Additional Policies.** The Corporation by resolution may adopt such rules, regulations, policies and procedures as it may deem necessary and appropriate to the operation so long as the same is not contrary to these by-laws as they may be amended from time to time.

## **ARTICLE VII**

### **AMENDMENTS**

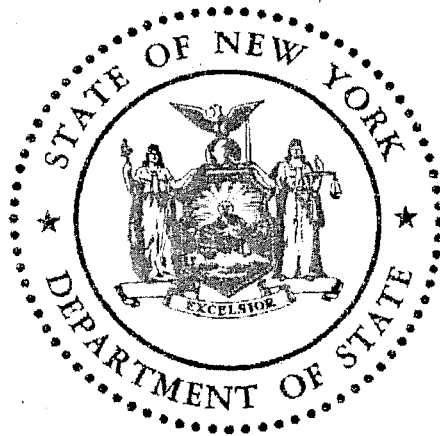
**Section 1. Amendments to By-laws.** The by-laws of the Corporation may be amended with the consent of the Chairman of the Otsego County Board of Representatives and the approval of a majority of all the Directors of the Corporation at a regular meeting or at a special meeting called for that purpose; but no such amendment will be adopted unless at least thirty days written notice thereof has been previously given to all Directors of the Corporation and to the Chairman of the Otsego County Board of Representatives.

In effect as of November 6, 2008.

EXHIBIT D  
CERTIFICATE OF GOOD STANDING

State of New York } ss:  
Department of State

I hereby certify, that the Certificate of Incorporation of OTSEGO COUNTY CAPITAL RESOURCE CORPORATION was filed on 10/15/2008, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.



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*WITNESS my hand and the official seal  
of the Department of State at the City of  
Albany, this 16th day of March two  
thousand and seventeen.*

*Brendan W. Fitzgerald  
Executive Deputy Secretary of State*

EXHIBIT E  
PUBLIC HEARING RESOLUTION

**PUBLIC HEARING RESOLUTION  
PROPOSED SPRINGBROOK NY, INC. 2016 PROJECT**

A regular meeting of the Board of Directors of Otsego County Capital Resource Corporation (the "Issuer") was convened in public session in the office of the Issuer located at 189 Main Street, Suite 500 in the City of Oneonta, Otsego County, New York on March 3, 2016 at 8:00 o'clock a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following Directors of the Issuer were:

**PRESENT:**

Joseph A. Bernier	Chairman
Robert Hanft	Secretary
Hugh I. Henderson	Member
Craig Gelbsman	Member
Richmond J. Hulse, Jr.	Member
James M. Jordan	Member
Devin Morgan	Member
James Salisbury	Member

**ABSENT:**

Jeffrey C. Lord	Treasurer
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**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

Sandy Mathes	CEO
Elizabeth Horvath	COO
Dawn Rivers	Director
Joseph Hughes	Administrative Director
Kurt D. Schulte, Esq.	Issuer Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by James Salisbury, seconded by Hugh I. Henderson, to wit:

**RESOLUTION AUTHORIZING THE CHIEF OPERATING OFFICER OF OTSEGO COUNTY CAPITAL RESOURCE CORPORATION TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF SPRINGBROOK NY, INC.**

WHEREAS, the Issuer is authorized and empowered by the provisions of Section 1411 of the New York State Not-For-Profit Corporation Law (the "NFPCL") to take steps to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, instruct or train individuals to improve or develop their capabilities for such jobs, carry on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, lessening the burdens of government and acting in the public interest; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the NFPCL and its certificate of incorporation (the "Certificate") to issue its revenue bonds to finance the cost of the acquisition, reconstruction and installation of one or more "projects" (as described in the NFPCL and the Certificate), to acquire, reconstruct and install said projects or to cause said projects to be acquired, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Institution"), is considering undertaking a project in Otsego County, New York (the "Project") and has had preliminary discussions with the staff of the Issuer for the purpose of obtaining certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the Project, including potential exemptions from certain real estate transfer taxes and mortgage recording taxes and the financing of the Project with the proceeds of tax-exempt revenue bonds to be issued by the Issuer (the "Obligations") (collectively with the Obligations, the "Financial Assistance"); and

WHEREAS, pursuant to the Certificate, prior to the Issuer providing any "financial assistance" (as such term is defined in Article 18-A of the General Municipal Law) to any project, the Issuer, among other things, must hold a public hearing in accordance with the guidelines set forth in Section 859-a of the General Municipal Law with respect to said project; and

WHEREAS, with respect to any portion of the Obligations intended to be issued as federally tax-exempt obligations, interest on such portion of the Obligations will not be excludable from gross income for federal income tax purposes unless pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations"), the issuance of such portion of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing pursuant to Section 147(f) of the Code on the nature and location of the Project and the issuance of such portion of the Obligations; and

WHEREAS, the Issuer desires to provide for compliance with the provisions of its Certificate and Section 147(f) of the Code with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS OF OTSEGO COUNTY CAPITAL RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby authorizes the Chief Operating Officer of the Issuer, after consultation with the directors of the Issuer, the Issuer's local counsel and the Issuer's Bond Counsel, (A) to establish the time, date and place for one or more public hearings of the Issuer to hear all persons interested in the Project (each, a "Public Hearing"); (B) to cause the Public Hearing to be conducted in accordance with the guidelines set forth in Section 859-a of the General Municipal Law to be held in a city, town or village where the Project is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the General Municipal Law and to be published no fewer than ten (10) days prior to the date established for such Public Hearing; (C) to cause notice of the Public Hearing conducted pursuant to Section 859-a of the General Municipal Law to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project is or is to be located no fewer than ten (10) days prior to the date established for the Public Hearing; (D) to cause the Public Hearing conducted pursuant to Section 147(f) of the Code

to be held in a city, town or village where the Project is or is to be located and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project is or is to be located, such notice or notices to be published no fewer than fifteen (15) days prior to the date established for such Public Hearing; (E) to conduct such Public Hearing or Public Hearings; (F) to cause a report of the Public Hearing conducted in accordance with the guidelines set forth in Section 859-a of the General Municipal Law fairly summarizing the views presented at such Public Hearing to be promptly prepared and cause copies of said report to be made available to the directors of the Issuer; and (G), if any portion of the Obligations is intended to be issued as federally tax-exempt obligations, to cause a report of the Public Hearing conducted pursuant to Section 147(f) of the Code fairly summarizing the views presented at such Public Hearing to be promptly prepared and cause copies of said report to be made available to the Board of Representatives of Otsego County, New York; provided, however, that the scheduling of any Public Hearing pursuant to this Section 1 of this Resolution is subject to receipt by the staff of the Issuer of the a completed Issuer Application from the Institution.

Section 2. The Chairman, Vice Chairman and/or Chief Operating Officer of the Issuer is hereby authorized and directed to distribute copies of this Resolution to the Institution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Operating Officer of the Issuer in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Robert S. Hanft	VOTING	<u>YES</u>
James M. Jordan	VOTING	<u>YES</u>
Joseph A. Bernier	VOTING	<u>YES</u>
Hugh I. Henderson	VOTING	<u>YES</u>
Jeffrey C. Lord	VOTING	<u>ABSENT</u>
Craig Gelbsman	VOTING	<u>YES</u>
Richmond J. Hulse, Jr.	VOTING	<u>YES</u>
Devin S. Morgan	VOTING	<u>YES</u>
James Salisbury	VOTING	<u>YES</u>

The foregoing Resolution was thereupon declared duly adopted.



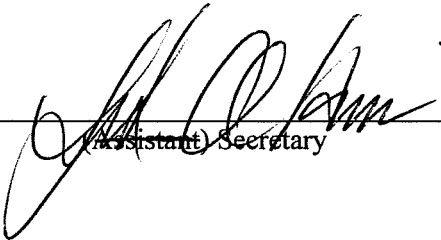
STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF OTSEGO                    )

I, the undersigned (Assistant) Secretary of Otsego County Capital Resource Corporation (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the directors of the Issuer, including the Resolution contained therein, held on March 3, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all directors of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the directors of the Issuer present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 3<sup>rd</sup> day of March, 2016.

  
\_\_\_\_\_  
(Assistant) Secretary

(SEAL)

EXHIBIT F

AFFIDAVIT OF MAILING AND POSTING OF THE  
NOTICE OF PUBLIC HEARING

AFFIDAVIT OF MAILING  
OF NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT AND  
FINANCIAL ASSISTANCE RELATING THERETO

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

The undersigned, being duly sworn, hereby states:

1. That on April 21, 2016, I mailed a copy of the "Notice of Public Hearing on Proposed Project and Financial Assistance Relating Thereto" in connection with the proposed Springbrook NY, Inc. Project to be undertaken by Otsego County Capital Resource Corporation (the "Issuer") to the following individuals:

7015 0640 0005 8247 3097

Kathleen Clark, Chairperson  
Otsego County Office Building  
197 Main Street  
Cooperstown, New York 13326-1129

7015 0640 0005 8247 3080

Robert T. Wood, Supervisor  
Town of Oneonta  
3966 NY-23  
West Oneonta, New York 13861

7005 0390 0004 0687 1475

Robert Moore, Supervisor  
Town of Milford  
2859 State Highway 28  
PO Box 308  
Portlandville, New York 13834

7005 0390 0004 0687 1505

Joseph J. Yelich, Superintendent  
Oneonta City School District  
31 Center Street  
Oneonta, New York 13820-1142

7005 0390 0004 0687 1499

Jamie Reynolds, School Board President  
Oneonta City School District  
31 Center Street  
Oneonta, New York 13820-1142

7005 0390 0004 0687 1468

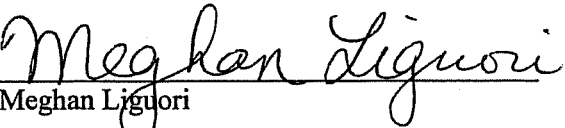
Peter N. Livshin, Superintendent  
Milford Central School District  
42 W. Main Street  
Milford, New York 13807

7015 0640 0005 8247 3073

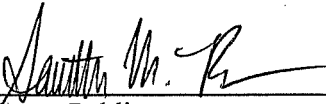
Susan Ward, School Board President  
Milford Central School District  
42 W. Main Street  
Milford, New York 13807

2. That the notice of hearing attached hereto as Exhibit A is a duplicate copy of the Notice of Hearing which was mailed to the above individuals.

In witness whereof, I have hereunto set my hand this 21<sup>st</sup> day of April, 2016.

  
Meghan Liguori

Sworn to before me this  
21<sup>st</sup> day of April, 2016.

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

Samantha M. Rose  
Notary Public, State of New York  
Qualified in Schoharie County  
No. 01RO6269484  
Commission Expires September 24, 2016

7015 0640 0005 8247 3080

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Certified Mail Fee	\$ 3.30
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.70
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 0.675
Total Postage and Fees	\$ 6.675
Sent To: Robert L. Wood, Supervisor Town of Oneonta 3966 NY-23 West Oneonta, NY 13861	

Postmark Here: APR 21 2016  
000161.00320  
Spring Brook - Notice of PH (SMR)

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Postage	\$ 0.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675
Sent To: Joseph L. Yelich, Superintendent Oneonta City School District 31 Center Street Oneonta, NY 13820-1142	

Postmark Here: APR 21 2016  
000161.00320  
Spring Brook - Notice of PH (SMR)

7005 0390 0004 0687 1505

7015 0640 0005 8247 3097

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Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.70
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 0.675
Total Postage and Fees	\$ 6.675
Sent To: Kathleen Clark, Chairperson Otsego County Office Building 197 Main Street Cooperstown, NY 13326-1129	

Postmark Here: APR 21 2016  
000161.00320  
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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675
Sent To: Robert Moore, Supervisor Town of Milford 2850 State Highway 28 PO Box 308 Portlandville, NY 13834	

Postmark Here: APR 21 2016  
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Spring Brook - Notice of PH (SMR)

7005 0390 0004 0687 1468

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OFFICIAL USE

Postage	\$ 0.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675
Sent To: Peter N. Livshin, Superintendent Milford Central School District 42 W. Main Street Milford, NY 13807	

Postmark Here: APR 21 2016  
000161.00320  
Spring Brook - Notice of PH (SMR)

7005 0390 0004 0687 1499

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OFFICIAL USE

Postage	\$ 0.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675
Sent To: Jamie Reynolds, School Board President Oneonta City School District 31 Center Street Oneonta, NY 13820-1142	

Postmark Here: APR 21 2016  
000161.00320  
Spring Brook - Notice of PH (SMR)

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**OFFICIAL USE**

Certified Mail Fee  
\$ 3.30

Extra Services & Fees (check box, add fee as appropriate)

<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ <u>2.20</u>
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

91021  
Postmark  
06/16/11 203201  
SPRING BROOK - Notice  
PPH (SMR)

Postage  
\$ 0.675      6.675

Total Postage and Fees  
\$ 6.675

Susan Ward, School Board President  
Milford Central School District  
42 W. Main Street  
Milford, NY 13807

City, State, ZIP+4®

7015 0640 0005 8247 3073

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Article Addressed to: Kathleen Clark, Chairperson Otsego County Office Building 197 Main Street Cooperstown, NY 13326-1129	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Kathleen Clark, Chairperson Otsego County Office Building 197 Main Street Cooperstown, NY 13326-1129	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail <sup>®</sup> <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <sup>®</sup> <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7015 0640 0005 6247 3097	<input type="checkbox"/> Priority Mail Express <sup>®</sup> <input type="checkbox"/> Registered Mail <sup>™</sup> <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <sup>™</sup> <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Article Addressed to: Robert Wood, Supervisor Town of Oneonta 3966 NY-23 West Oneonta, NY	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Robert Wood, Supervisor Town of Oneonta 3966 NY-23 West Oneonta, NY	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <sup>®</sup> <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <sup>®</sup> <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7015 0640 0005 6247 3080	<input type="checkbox"/> Priority Mail Express <sup>®</sup> <input type="checkbox"/> Registered Mail <sup>™</sup> <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <sup>™</sup> <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		

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Article Addressed to: Robert Moore, Supervisor Town of Milford 2859 State Highway 28 PO Box 308 Portland, NY 13834	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Robert Moore, Supervisor Town of Milford 2859 State Highway 28 PO Box 308 Portland, NY 13834	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <sup>®</sup> <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <sup>®</sup> <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7005 0390 0004 0687 1475	<input type="checkbox"/> Priority Mail Express <sup>®</sup> <input type="checkbox"/> Registered Mail <sup>™</sup> <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <sup>™</sup> <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		

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<p>1. Article Addressed to: Joseph J. Yelich, Superintendent Oneonta City School District 31 Center Street Oneonta, NY 13820-1142</p>	<p>B. Received by (Printed Name): <i>Karen Zerlind</i></p>	<p>C. Date of Delivery: <i>4/25/16</i></p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label): <i>7005 0390 0004 0687 1505</i></p>	<p>3. Service Type:  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

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<p>1. Article Addressed to: Jamie Reynolds, School Board President Oneonta City School District 31 Center Street Oneonta, NY 13820-1142</p>	<p>B. Received by (Printed Name): <i>Karen Zerlind</i></p>	<p>C. Date of Delivery: <i>4/25/16</i></p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label): <i>7005 0390 0004 0687 1497</i></p>	<p>3. Service Type:  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

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<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature: <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to: Peter N. Livshin, Superintendent Milford Central School District 42 W. Main Street Milford, NY 13807</p>	<p>B. Received by (Printed Name): <i>Douglas Finzer</i></p>	<p>C. Date of Delivery: <i>4/25/16</i></p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label): <i>7005 0390 0004 0687 1468</i></p>	<p>3. Service Type:  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:  
Susan Ward, School Board President  
Milford Central School District  
42 W. Main Street  
Milford, NY 13807



9590 9403 0974 5223 2381 10

2. Article Number (Transfer from service label)  
7015 0640 0005 8217 8073

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *Douglas F. Ward*  Agent  Addressee

B. Received by (Printed Name): *Douglas F. Ward* C. Date of Delivery: *4/25/18*

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type:
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Collect on Delivery Restricted Delivery
  - Insured Mail
  - Insured Mail Restricted Delivery (over \$500)
  - Priority Mail Express
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

EXHIBIT A  
NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

Notice is hereby given that a public hearing in accordance with Section 859-a(2) of the General Municipal Law of the State of New York and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Otsego County Capital Resource Corporation (the "Issuer") on the 10th day of May, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus locate at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, in connection with the following matters:

Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following:

(A) the financing of a portion of the costs of

(1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"),

(a) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and

(b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and

(2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"),

(a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"),

(b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and

(c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"),

(3) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Facility”) and

(4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Equipment”) (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute an expansion of the Borrower’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities;

(B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Obligations”);

(C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

(D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, and (2) exemption from deed transfer taxes on any real estate transfers with respect to the Project, if any.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the proceeds of the Obligations will be loaned by the Issuer to the Institution pursuant to a loan agreement (the “Agreement”) requiring that the Institution or its designee make payments equal to debt service on the Obligations and make certain other payments to the Issuer and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either the location or nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through its elected Board of Representatives, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: April 20, 2016.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: /s/ Sandy Mathes  
Sandy Mathes, Chief Executive Officer

BULLETIN  
AFFIDAVIT OF POSTING  
OF NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

STATE OF NEW YORK    )  
                                  ) ss.:  
COUNTY OF OTSEGO    )


The undersigned, being duly sworn, deposes and says:

1. That on April 21, 2016, I posted a copy of a notice entitled the "Notice of Public Hearing on Proposed Project and Financial Assistance Relating Thereto" (the "Notice") in connection with the proposed Springbrook Project to be undertaken by Otsego County Capital Resource Corporation (the "Issuer").


2. Said Notice was posted on a bulletin board located at Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York.

3. That the notice of hearing attached hereto as Exhibit A is a duplicate copy of the Notice that was posted on such bulletin board.

In witness thereof, I have hereunto set my hand this 22 day of April, 2016.

  
\_\_\_\_\_  
Joseph Hughes

Sworn to before me this  
22nd day of April, 2016.

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

**DAWN R RIVERS**  
Notary Public, State of New York  
No. 01RI6322156  
Qualified In Otsego County  
Commission Expires March 30, 2019

EXHIBIT A

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

Notice is hereby given that a public hearing in accordance with Section 859-a(2) of the General Municipal Law of the State of New York and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Otsego County Capital Resource Corporation (the "Issuer") on the 10th day of May, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus locate at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, in connection with the following matters:

Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following:

(A) the financing of a portion of the costs of

(1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"),

(a) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and

(b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and

(2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"),

(a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"),

(b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and

(c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"),



(3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and

(4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Borrower's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities;

(B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations");

(C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

(D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, and (2) exemption from deed transfer taxes on any real estate transfers with respect to the Project, if any.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations"), the issuance of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the proceeds of the Obligations will be loaned by the Issuer to the Institution pursuant to a loan agreement (the "Agreement") requiring that the Institution or its designee make payments equal to debt service on the Obligations and make certain other payments to the Issuer and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either the location or nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through its elected Board of Representatives, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: April 20, 2016.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: /s/ Sandy Mathes  
Sandy Mathes, Chief Executive Officer

BULLETIN  
AFFIDAVIT OF POSTING  
OF NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

STATE OF NEW YORK    )  
                                  ) ss.:  
COUNTY OF OTSEGO    )

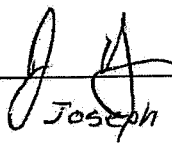
The undersigned, being duly sworn, deposes and says:

1. That on April 21, 2016, I posted a copy of a notice entitled the "Notice of Public Hearing on Proposed Project and Financial Assistance Relating Thereto" (the "Notice") in connection with the proposed Springbrook Project to be undertaken by Otsego County Capital Resource Corporation (the "Issuer").

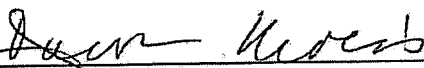
2. Said Notice was posted on the public web site of Otsego Now at <http://www.otsegonow.com>.

3. That the notice of hearing attached hereto as Exhibit A is a duplicate copy of the Notice that was posted on such bulletin board.

In witness thereof, I have hereunto set my hand this 22 day of April, 2016.

  
\_\_\_\_\_  
Joseph Hughes

Sworn to before me this  
22nd day of April, 2016.

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

**DAWN R RIVERS**  
Notary Public, State of New York  
No. 01RI6322156  
Qualified in Otsego County  
Commission Expires March 30, 2019

**EXHIBIT A**

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

Notice is hereby given that a public hearing in accordance with Section 859-a(2) of the General Municipal Law of the State of New York and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Otsego County Capital Resource Corporation (the "Issuer") on the 10th day of May, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus locate at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, in connection with the following matters:

Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following:

(A) the financing of a portion of the costs of

(1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"),

(a) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and

(b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and

(2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"),

(a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"),

(b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and

(c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"),

(3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and

(4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Borrower's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities;

(B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations");

(C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

(D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, and (2) exemption from deed transfer taxes on any real estate transfers with respect to the Project, if any.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations"), the issuance of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

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The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either the location or nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through its elected Board of Representatives, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: April 20, 2016.

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY: /s/ Sandy Mathes  
Sandy Mathes, Chief Executive Officer

EXHIBIT G

AFFIDAVIT OF PUBLICATION OF THE  
NOTICE OF PUBLIC HEARING



STATE OF NEW YORK  
COUNTY OF OTSEGO, SS

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

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Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following:

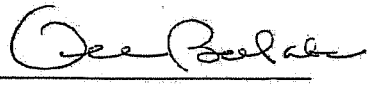
- 4) the financing of a portion of the costs of
  - 1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"),
  - 2) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and
  - b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and
  - 2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"),
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  - 1) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and
  - 1) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"),
  - 1) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and
  - 1) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Borrower's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities;
- 1) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$2,500,000 (the "Obligations"),
- 1) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

RECEIVED  
APR 27 2016

Marc Michaels of Norwich, NY, in Chenango County, being duly sworn, deposes and says that he is the Business Manager for the newspaper called The Daily Star, printed and published in Oneonta, NY aforesaid, and that the advertisement of which the annexed is a printed copy has been published in the said newspaper on the

23<sup>rd</sup>  
Day(s) of April  
2016

Sworn to before me the 25<sup>th</sup>  
Day of April 2016

  
NOTARY PUBLIC

DESRA A. BALANTIC  
Notary Public, State of New York  
No. 01BA4852171  
Qualified in Otsego County  
Commission Expires February 18, 2018

(b) the financing of all or a portion of the costs of the foregoing by the issuance of bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations");

(C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

(D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations for the cost of undertaking the Project, together with necessary incidental costs in connection therewith; and (D) to provide certain exemptions from taxation with respect to the Project, including: (1) exemption from mortgage recording taxes with respect to any documents, recorded by the Issuer with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, and (2) exemption from dead weight taxes on any real property transfers with respect to the Project, if any.

If issuance of the Obligations is approved, interest on the Obligations will not be excluded from gross income for federal income tax purposes (unless (A) pursuant to Section 147 of the Code and the regulations of the United States Treasury Department thereunder (the "Sury Regulations"), the issuance of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing on the nature, location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

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The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either the location, nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project, the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through its elected Board of Representatives, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to, Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: April 20, 2016.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY: /s/ Sandy Mathes  
Sandy Mathes, Chief Executive Officer

EXHIBIT H  
REPORT OF THE  
OF PUBLIC HEARING

PUBLIC HEARING FOR

THE SPRINGBROOK NY, INC. PROJECT

May 10, 2016

4:00 o'clock p.m.

Events Room, Springbrook's Oneonta Campus, 5588 Route 7, Oneonta

In attendance: Patricia Kennedy, CEO, Springbrook  
Seth Haight, COO, Springbrook  
Tom Ford, Director of Facilities, Springbrook  
Jessica Reynolds, reporter, The Daily Star  
Elizabeth Horvath, OCCRC

The public hearing began with Mr. Haight introducing the Springbrook team, and Ms. Horvath, who then began the public hearing as follows:

“Good afternoon. My name is Elizabeth Horvath and I am the Chief Operating Officer of the Otsego County Capital Resource Corporation.

We are here today on behalf of the Otsego County Capital Resource Corporation to hold a Public Hearing for the Springbrook NY, Inc. Project. This public hearing is required under Section 147(f) of the Internal Revenue Code and Section 859-a of the General Municipal Law (as provided in the certificate of incorporation of the Corporation). The purpose of this public hearing is to solicit public comment on the proposed project for Springbrook NY, Inc. The comments received today at this public hearing will be presented to the members of the Otsego County Capital Resource Corporation at a subsequent meeting.

The comments will also be forwarded to the Board of Representatives of Otsego County in connection with obtaining approval for the issuance of the bonds described in the public hearing notice.

Again, the purpose of the hearing is to solicit public comment. We are not here to answer questions, although in the course of the hearing we will consider questions if we have the information to answer the question and if there is sufficient time to consider such questions.

By way of background, the notice of public hearing was published on April 23, 2016 in The Daily Star. Publication of the public hearing notice in The Daily Star satisfies the requirements contained in the General Municipal Law and the

Internal Revenue Code. In addition, as required by New York law, the notice of this Public Hearing was mailed on April 21, 2016 to the Town of Oneonta, the Town of Milford, the Milford Central School District, the Oneonta City School District and Otsego County. Lastly, copies of the Public Hearing Notice were posted on a bulletin board located at the Oneonta Town Hall located at 3966 New York State Highway 23 in the Town of Oneonta, Otsego County, New York and the Corporation's website on April 21, 2016.

By way of operating rules, I would ask that if you wish to make a public comment, please raise your hand, I will call on you, you should identify yourself for the record and then make your comment. I ask that you keep your comments to no more than five minutes.

Now, before formally beginning the public hearing, I am going to suggest waiving the full reading of the public hearing notice, unless there is any objection, and instead request that the full text be inserted into the public record." No objections.

Ms. Horvath opened the hearing at 4:05 o'clock for comments, and re-introduced Patricia Kennedy for remarks concerning the project.

Ms. Kennedy took the group through a presentation entitled Springbrook 2020, which detailed the projects that will be affected and/or funded by the bond issue. Ms. Kennedy began by introducing Springbrook's mission, which is the organization's commitment to serving people with special needs, and then described the organization's strategy in five principal areas: residential, transitional and supportive housing; day options; consumer self-direction; parent and family engagement; and provider options. The bond financing will enable a number of different projects, including a new on-campus medical home, additional on-campus replacement houses, a home for the medically frail in Oneonta, an elderly home in Oneonta, a post-graduate transition home, renovations to the Oneonta campus, and a parent engagement center. Ms. Kennedy stressed the importance of choice and alternatives to Springbrook's residents, and Springbrook's commitment to providing the least restrictive and most integrated housing options to its residents. Ms. Kennedy spoke about many of the features and benefits of the parent engagement center, which will contain apartments for families who are in town visiting residents. She outlined the benefits to Springbrook of raising money through a tax-exempt bond, including lower interest rates, no early repayment fee, and flexibility. The economic impact of the projects furthered by this bond includes the creation of a projected 61 jobs, including

clinical and managerial staff; currently, 53% of Springbrook's approximately 1,200 employees live in Otsego County, bringing an estimated \$22 million per year in salary and benefits to the County. Ms. Kennedy ended her remarks by reiterating Springbrook's commitment to caring for the individual for a lifetime.

Following Ms. Kennedy's remarks, Ms. Horvath thanked her and asked whether there were any additional comments from any of the other individuals attending the public hearing. There were none.

Ms. Horvath also noted for the record that there were no written comments received by the Otsego County Capital Resource Corporation with respect to the proposed project.

Ms. Horvath then thanked the attendees and closed the public hearing at 4:42 pm.

The full text of the public hearing notice is available upon request at Otsego Now.

EXHIBIT I  
SEQR RESOLUTION

**SEQR RESOLUTION-UNLISTED ACTION  
SPRINGBROOK NY, INC. PROJECT**

A regular meeting of the Board of Directors of Otsego County Capital Resource Corporation (the "Issuer") was convened in public session in the office of the Issuer located at 189 Main Street, Suite 500 in the City of Oneonta, Otsego County, New York on July 28, 2016 at 8:00 o'clock a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following Directors of the Issuer were:

**PRESENT:**

Devin Morgan	Chairman
Craig Gelbsman	Assistant Secretary
Jeffrey C. Lord	Treasurer
Robert Hanft	Member
Hugh I. Henderson	Member
James Salisbury	Member

**ABSENT:**

James M. Jordan	Vice Chairman
Joseph A. Bernier	Secretary
Richmond J. Hulse, Jr.	Member

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

Sandy Mathes	CEO
Patrick Doyle	Independent Consultant
Joseph Hughes	Administrative Director
Kurt D. Schulte, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by James Salisbury, seconded by Jeffrey C. Lord, to wit:

Resolution No. \_\_\_\_\_

**RESOLUTION DETERMINING THAT AN ACTION TO UNDERTAKE A CERTAIN  
PROJECT FOR SPRINGBROOK NY, INC. WILL NOT HAVE A SIGNIFICANT  
EFFECT ON THE ENVIRONMENT.**

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of the Issuer under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the Board of Representatives of the County; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer pursuant to the Enabling Act as a public instrumentality of the County; and



WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Company"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Company's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Company's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"), (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Company's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Issuer on March 3, 2016 (the "Public Hearing Resolution"), the Chief Executive Officer of the Issuer (A) caused notice of public hearing of the Issuer (the "Public Hearing") in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Code, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Issuer with respect to the Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall,

3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Public Hearing to be published in The Daily Star, a newspaper of general circulation available to the residents of the Otsego County, New York, (D) conducted the Public Hearing on May 10, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Public Hearing (the "Hearing Report") which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Issuer and to the Board of Representatives; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Issuer must satisfy the requirements contained in SEQRA and the Regulations prior to making a final determination whether to undertake the Project; and

WHEREAS, pursuant to the Regulations, the Issuer has examined (1) the Application, (2) an environmental assessment form completed by the Company (the "EAF"), (3) correspondence from the Town of Milford Zoning/Code Enforcement dated June 23, 2016 (the "Milford Letter") indicating that site plan review is not required on the Main Campus Land, (4) a letter from the Town of Oneonta Code Enforcement Office dated July 18, 2016 (the "Oneonta Letter") indicating that the interior renovations being made to the Oneonta Existing Facility do not require a review under SEQRA and (5) the Project (and together with items 1 through 4, being referred to as the "Reviewed Documents") in order to make an initial determination as to the potential environmental significance of the Project; and

WHEREAS, pursuant to SEQRA, the Issuer has examined the Reviewed Documents in order to make an initial determination as to the potential environmental significance of the Project; and

WHEREAS, the Project does not appear to constitute a "Type I Action" (as said quoted term is defined in the Regulations), and therefore coordinated review and notification is optional with respect to the actions contemplated by the Issuer with respect to the Project; and

WHEREAS, the Issuer desires to conduct an uncoordinated review of the Project and to make its initial determination of significance with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF OTSEGO COUNTY CAPITAL RESOURCE CORPORATION AS FOLLOWS:

Section 1. Based upon an examination of the Reviewed Documents, the Issuer makes the following findings with respect to the Project:

(A) The Project consists of the following: (A) the financing of a portion of the costs of (1) with respect to the Company's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Company's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land

being sometimes referred to as the "Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"), (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Company's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

(B) No potentially significant impacts on the environment are noted in the Application, and none are known to the Issuer.

Section 2. Based upon the foregoing, the Issuer makes the following findings and determinations with respect to the Project:

(A) The Project constitutes an "Unlisted Action" (as said quoted term is defined in SEQRA) and therefore coordinated review and notification of other involved agencies is strictly optional. The Issuer hereby determines not to undertake a coordinated review of the Project, and therefore will not seek lead agency status with respect to the Project.

(B) The Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment. Therefore, the Issuer hereby determines that the Project will not have a significant effect on the environment, and the Issuer will not require the preparation of an environmental impact statement with respect to the Project.

(C) As a consequence of the foregoing, the Issuer has decided to prepare a negative declaration with respect to the Project.

Section 3. The Chairman of the Issuer is hereby directed to file a copy of this Resolution with respect to the Project in the office of the Issuer.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Devin S. Morgan	VOTING	<u>Yes</u>
James M. Jordan	VOTING	<u>Absent</u>
Joseph A. Bernier	VOTING	<u>Absent</u>
Craig Gelbsman	VOTING	<u>Yes</u>
Jeffrey C. Lord	VOTING	<u>Yes</u>
Robert S. Hanft	VOTING	<u>Yes</u>
Hugh Henderson	VOTING	<u>Yes</u>
Richmond J. Hulse, Jr.	VOTING	<u>Absent</u>
James Salisbury	VOTING	<u>Yes</u>

The foregoing Resolution was thereupon declared duly adopted.

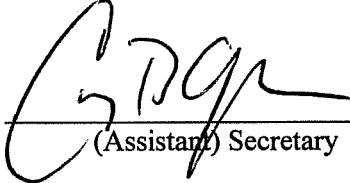
STATE OF NEW YORK        )  
                                  ) SS.:  
COUNTY OF OTSEGO        )

I, the undersigned (Assistant) Secretary of Otsego County Capital Resource Corporation (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing copy of the minutes of the meeting of the Issuer, including the Resolution contained therein, held on July 28, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

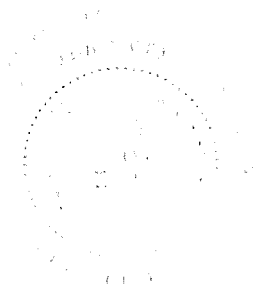
I FURTHER CERTIFY that (A) all members of said Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law and (D) there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 28th day of July, 2016.

  
\_\_\_\_\_  
(Assistant) Secretary

(S E A L)



NEGATIVE DECLARATION  
NOTICE OF DETERMINATION  
OF NO SIGNIFICANT EFFECT  
ON THE ENVIRONMENT

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

In accordance with Article 8 (State Environmental Quality Review) of the Environmental Conservation Law (the "Act"), and the statewide regulations under the Act (6 NYCRR Part 617) (the "Regulations"), notice is hereby given that the Otsego County Capital Resource Corporation (the "Issuer") has reviewed an application from SPRINGBROOK NY, INC. (the "Company") in connection with the proposed project described below (the "Project") and that the Issuer has determined (A) that said Project is an "Unlisted Action" pursuant to the Regulations, and therefore that coordinated review and notification is optional with respect to said Project; (B) to conduct an uncoordinated review of the Project; (C) that the said Project will result in no major impacts and therefore will not have a significant effect on the environment; and (D) therefore that an environmental impact statement is not required to be prepared with respect to said Project. THIS NOTICE IS A NEGATIVE DECLARATION FOR THE PURPOSES OF THE ACT.

1. Lead Agency: The Issuer has determined not to follow the coordinated review provisions of the Regulations. Therefore, there is no lead agency for the Project.

2. Person to Contact for Further Information: Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone No. (607) 267-4010.

3. Project Identification: Springbrook NY, Inc. Project.

4. Project Description: The project (the "Project") consists of the following: (A) the financing of a portion of the costs of (1) with respect to the Company's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Company's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"), (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility") and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal

property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Company's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

5. Project Location: The Project Facility will be located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York, and 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York.

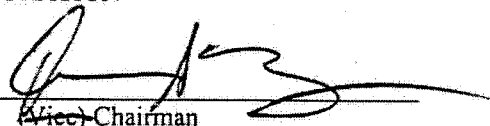
6. Reasons for Determination of Non-Significance: No significant environmental impacts were identified by the Issuer in its review of the Reviewed Documents (as defined in the attached resolution) and, based upon the Issuer's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its environmental effects as the Issuer has deemed appropriate, no significant environmental impacts are known to the Issuer.

7. Comment Period: All interested parties, groups and persons disagreeing with or otherwise desiring to comment upon the Issuer's initial environmental determination with respect to this Project are invited to submit written comments for consideration by the Issuer. All such comments should be sent by mail addressed to Sandy Mathes, Chief Executive Officer, at the address specified in paragraph two hereof.

Dated: July 28, 2016

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

BY:



(Vice) Chairman

EXHIBIT J  
PUBLIC APPROVAL RESOLUTION



RESOLUTION NO. 199-20160601

RESOLUTION - APPROVING THE ISSUANCE OF CERTAIN OBLIGATIONS BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION TO FINANCE A CERTAIN PROJECT FOR SPRINGBROOK NY, INC.

GELBSMAN, CARSON, KENNEDY, STAMMEL, WILBER

WHEREAS, pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"), Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (1) authorizing the incorporation of Otsego County Capital Resource Corporation (the "Issuer") under the Enabling Act and (2) appointing the initial members of the board of directors of the Issuer; and

WHEREAS, in October, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable revenue bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"), (a) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes referred to, along with the Main Campus New Facility, as the "Main Campus Facility"); (2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"), (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and

approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes along with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"); (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Facility"); and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion of the Borrower's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the

Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer; and

WHEREAS, the Borrower has requested that interest on the Obligations be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 103 and Section 145(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Board of Representatives of Otsego County, New York (the "Board of Representatives") has been advised by the Issuer that the Issuer proposes to issue, subsequent to the adoption of this resolution, the Obligations from time to time in a principal amount sufficient to fund all or a portion of the costs of the Project; and

WHEREAS, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Obligations is approved by the "applicable elected representative" of Otsego County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the board of directors of the Issuer on March 3, 2016 (the "Public Hearing Resolution"), the Chief Executive Officer of the Issuer (A) caused notice of public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Code and, as provided in the Certificate of Incorporation, pursuant to the applicable provisions of Section 859-a and Section 859-b of the General Municipal Law of the State of New York (the "GML"), to hear all persons interested in the Project and the Financial Assistance being contemplated by the Issuer with respect to the Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on April 21, 2016 on a bulletin board in the Oneonta Town Hall located at 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York and on the Issuer's website, (C) caused notice of the Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of Otsego County, New York, (D) conducted the Public Hearing on May 10, 2016 at 4:00 o'clock p.m., local time in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Public Hearing (the "Hearing Report") which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Issuer and to the Board of Representatives; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board of Representatives desires to allow the interest on the Obligations to be treated as excludable from gross income for federal income tax purposes; and

WHEREAS, the Issuer's certificate of incorporation specifically provides that neither the Obligations nor any other obligation of the Issuer shall be a debt of Otsego County, New York, nor shall Otsego County, New York be liable thereon; now, therefore, be it

RESOLVED by the Board of Representatives of Otsego County, New York as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Obligations for exclusion from gross income for federal income tax purposes pursuant to the provisions of Section 145(a) of the Code, the Board of Representatives, as the elected legislative body of Otsego County, New York, hereby approves the issuance by the Issuer of the Obligations, provided that the Obligations, and the premium (if any) and interest thereon, shall be special obligations of the Issuer and shall never be a debt of the State of New York, Otsego County, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, Otsego County, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

Section 2. This resolution shall take effect immediately.

STATE OF NEW YORK :  
  : SS  
COUNTY OF OTSEGO :

I, Carol D. McGovern, Clerk of the Board of Representatives of Otsego County, New York, DO HEREBY CERTIFY that I have compared the foregoing copy of resolution with the original resolution on file in my office and that the same is a true and complete copy thereof as duly adopted by said Board of Representatives while in session on the 1st day of June, 2016.

WITNESS my hand and the official seal of the Board of Representatives of Otsego County, New York, this 2nd day of June, 2016.

(SEAL)

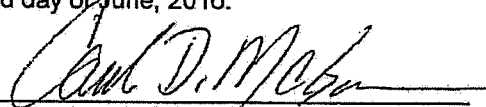
  
\_\_\_\_\_  
Clerk, Board of Representatives  
Otsego County, New York

EXHIBIT K  
BOND RESOLUTION



**OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
BOND RESOLUTION  
SPRINGBROOK NY, INC. PROJECT**

A regular meeting of the Board of Directors of Otsego County Capital Resource Corporation (the "Issuer") was convened in public session in the office of the Issuer located at 189 Main Street, Suite 500 in the City of Oneonta, Otsego County, New York on July 28, 2016 at 8:00 o'clock a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following Directors of the Issuer were:

**PRESENT:**

Devin Morgan	Chairman
Craig Gelbsman	Assistant Secretary
Jeffrey C. Lord	Treasurer
Robert Hanft	Member
Hugh I. Henderson	Member
James Salisbury	Member

**ABSENT:**

James M. Jordan	Vice Chairman
Joseph A. Bernier	Secretary
Richmond J. Hulse, Jr.	Member

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

Sandy Mathes	CEO
Patrick Doyle	Independent Consultant
Joseph Hughes	Administrative Director
Kurt D. Schulte, Esq.	Issuer Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by Jeffrey C. Lord, seconded by Robert Hanft, to wit:

Resolution No. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION OF ITS TAX-EXEMPT MULTI-MODE REVENUE BOND (SPRINGBROOK NY, INC. PROJECT), SERIES 2016A IN A PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 AND THE EXECUTION OF RELATED DOCUMENTS.**

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of Otsego County Capital Resource Corporation (the "Issuer") under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the Board of Representatives of the County; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer pursuant to the Enabling Act as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, on September 24, 2010, the Issuer entered into a bond purchase agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between the Issuer, RBS Citizens, N.A. (the "Bank") and the Company, pursuant to which the Issuer sold to the Bank the Issuer's Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the aggregate principal amount of \$25,200,000 (the "Initial Bonds") for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following: (A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the "Initial Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the "Addition"), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the "New Facility") (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the "Initial Facility"), (5) the acquisition and installation of various machinery and equipment therein and thereon (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility"), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with mental retardation and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Company to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Company pursuant to the terms of a loan agreement dated as of September 1, 2010 (the "Initial Loan Agreement"); and

WHEREAS, the Initial Bonds were issued on September 24, 2010 under a resolution adopted by the members of the Issuer on September 2, 2010 (the "Initial Bond Resolution") and a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and Manufacturers and Traders Trust Company (the "Trustee") for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture (the "Additional Bonds," and collectively with the Initial Bonds, the "Bonds"); and

WHEREAS, simultaneously with the issuance of the Initial Bonds, the Company and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the "Initial Financing Documents"); and

WHEREAS, as security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Company under the Initial Loan Agreement are to be paid directly to the Trustee; and

WHEREAS, as additional security for the Company's obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Company executed and delivered to the Bank and the Issuer (1) a mortgage dated as of September 1, 2010 (the "Mortgage") from the Company to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility and (2) a security agreement dated as of September 1, 2010 (the "Security Agreement") from the Company to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment.

WHEREAS, in April, 2016, the Company presented an additional application (the "Series 2016A Application") to the Issuer, which Series 2016A Application requested that the Issuer consider undertaking a project (the "Series 2016A Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Company's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land") - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and (2) with respect to the Company's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Series 2016A Land") - (a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"), (3) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus Facility and the Oneonta Facility (collectively, the "Series 2016A Facility") and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2016A Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Series 2016A Project Facility"), all of the foregoing to constitute an expansion of the Company's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the "Series 2016A Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Issuer on March 3, 2016 (the "Series 2016A Public Hearing Resolution"), the Chief Executive Officer of the Issuer (A) caused notice of public hearing of the Issuer (the "Public Hearing") in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Code, to hear all persons interested in the Series 2016A Project and the Financial Assistance being contemplated by the Issuer with respect to the Series 2016A Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Series 2016A Project is or is to be located, (B) caused notice of the Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Public Hearing to be published in The Daily Star, a newspaper of general circulation available to the residents of the Otsego County, New York, (D) conducted the Public Hearing on May 10, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Public Hearing (the "Hearing Report") which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Issuer and to the Board of Representatives; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the "Regulations", and collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Issuer on July 28, 2016 (the "SEQR Resolution"), the Agency (1) determined that the Series 2016A Project constitutes an "Unlisted Action" (as said quoted term is defined in SEQRA), (2) determined that the Series 2016A Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Series 2016A Project; and

WHEREAS, the Board of Representatives have by resolution approved the issuance of the Series 2016A Obligations for purposes of Section 147(f) of the Code (the "Series 2016A Public Approval"); and

WHEREAS, the Issuer will now issue its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (Springbrook NY, Inc. Project), Series 2016A in the aggregate principal amount of not to exceed \$12,500,000 (the "Series 2016A Bonds") for the purpose of financing a portion of the costs of the Series 2016A Project, which Series 2016A Bonds are to be issued under a resolution adopted by the members of the Issuer on July 28, 2016 (the "Series 2016A Bond Resolution") and a supplemental trust indenture dated as of September 1, 2016 (the "Series 2016A Supplemental Trust Indenture," and, collectively with the Initial Indenture, the "Indenture") by and between the Issuer and the Trustee; and

WHEREAS, the Series 2016A Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2016A Bonds as initially issued will be the Bank Purchase Rate (as defined in the Series 2016A Bonds) as determined by the Bank, as initial purchaser of the Series 2016A Bonds pursuant to the terms of the Indenture and a bond purchase agreement dated as of September 1, 2016 (the "Series 2016A Bond Purchase Agreement," and, together with the Initial Bond Purchase Agreement, collectively referred to as the "Bond Purchase Agreement") by and between the Bank and the Company; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A Bonds, the Issuer will execute and deliver a certain amendment to loan agreement dated as of September 1, 2016 (the "Series 2016A Amendment to Loan Agreement", and collectively with the Initial Loan Agreement, the "Loan Agreement") by and between the Issuer and the Company and certain other documents related to the Series 2016A Project and to the Series 2016A Bonds (collectively with the Indenture and the Loan Agreement, the "Series 2016A Financing Documents"); and

WHEREAS, pursuant to the terms of the Loan Agreement, (A) the Company will agree, among other things, (1) to cause the Series 2016A Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2016A Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2016A Bonds to the Company; and

WHEREAS, as security for the Series 2016A Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of September 1, 2016 (the "Series 2016A Amendment to Pledge and Assignment," and collectively with the Initial Pledge and Assignment, the "Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment will assign to the Trustee certain of the Issuer's rights under the Loan Agreement. Pursuant to the Pledge and Assignment, loan payments made by the Company under the Loan Agreement are to be paid directly to the Trustee; and

WHEREAS, as additional security for the Company's obligations under the Series 2016A Bond Purchase Agreement and the Series 2016A Loan Agreement, the Company will execute and deliver to the Bank and the Issuer (1) a mortgage dated as of September 1, 2016 (the "Series 2016A Mortgage") from the Company to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in, among other things, the Series 2016A Project Facility; and

WHEREAS, the (A) Company's obligation (1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto and under the Bond Purchase Agreement, and (B) Issuer's obligation to repay the Series 2016A Bonds will be further secured by a guaranty dated as of September 1, 2016 (the "Series 2016A Guaranty") from the Company to the Trustee; and

WHEREAS, the (A) Company's obligation (1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Bond Purchase Agreement and (B) the Issuer's obligation to repay the Series 2016A Bonds will be further secured by a guaranty dated as of September 1, 2016 (the "Series 2016A Guaranty of Foundation") from Upstate Home for Children Foundation, Inc. (the "Series 2016A Guarantor") to the Bank; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2016A Bonds (the "Series 2016A Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2016A Bonds (the "Series 2016A Information Return") pursuant to Section 149(e) of the Code, and (3) file the Series 2016A Information Return with the Internal Revenue Service, (B) the Company will execute a tax regulatory agreement dated the date of delivery of the Series 2016A Bonds (the "Series 2016A Tax Regulatory Agreement") relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Bank will execute a letter (the "Issue Price Letter") confirming the issue price of the Series 2016A Bonds for purposes of Section 148 of the Code; and

WHEREAS, the Issuer now desires to authorize the issuance of the Series 2016A Bonds for the purpose of financing a portion of the costs of the Series 2016A Project, delegating to the Chairman, Vice Chairman or Chief Executive Officer of the Issuer authority to determine the final details of the Series 2016A Bonds (the "Bond Details");

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS OF THE BOARD OF DIRECTORS OF OTSEGO COUNTY CAPITAL RESOURCE CORPORATION AS FOLLOWS:

Section 1. The Issuer hereby finds and determines that:

(A) By virtue of the Certificate of Incorporation and the Enabling Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act; and

(B) The acquisition, renovation, and installation of the Series 2016A Project Facility and the financing thereof with the proceeds of the Loan to the Company will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government; and

(C) It is desirable and in the public interest for the Issuer to issue and sell its Series 2016A Bonds upon the terms and conditions determined by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) issue the Series 2016A Bonds according to the terms of the Indenture and the Bond Purchase Agreement, (B) sell the Series 2016A Bonds to the Bank pursuant to the terms set forth in the Indenture and the Bond Purchase Agreement, (C) use the proceeds of the Series 2016A Bonds to make the Loan to the Company for the purpose of financing portion of the costs of issuance of the Series 2016A Bonds and a portion of the costs of the Series 2016A Project, (D) secure the Series 2016A Bonds by assigning to the Trustee, pursuant to the Pledge and Assignment, certain of the Issuer's rights under the Loan Agreement, including the right to collect and receive certain amounts payable thereunder, (E) execute the Series 2016A Arbitrage Certificate and the Series 2016A Information Return with respect to the Series 2016A Bonds, and (F) file the Series 2016A Information Return with the IRS.

Section 3. The form and substance of the Series 2016A Amendment to Loan Agreement, the Series 2016A Supplemental Trust Indenture, the Series 2016A Bonds, the Series 2016A Amendment to Pledge and Assignment, the Series 2016A Bond Purchase Agreement, the Series 2016A Arbitrage Certificate, the Series 2016A Information Return and any documents necessary and incidental thereto including, but not limited to, any documents approved by counsel to the Issuer (collectively, the "Issuer Documents") are hereby approved.

Section 4. The Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Series 2016A Bonds in the aggregate principal amount not to exceed \$12,500,000 or so much as necessary to finance the Costs of the Series 2016A Project, in the form and in the amount and containing the other provisions determined by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer, and upon authentication thereof the Trustee is hereby authorized to deliver said Series 2016A Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Enabling Act and in accordance with the provisions of the Indenture, this Series 2016A Bond Resolution, and the Series 2016A Bond Purchase Agreement, provided that:

(A) The Series 2016A Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 4 shall (1) be issued, executed and delivered at such time as the Chairman, Vice Chairman or Chief Executive Officer of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Series 2016A Bonds and the Indenture, or as are hereinafter approved by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer in accordance with Section 5

hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Series 2016A Bond Resolution.

(B) The Series 2016A Bonds shall be issued solely for the purpose of providing funds to finance (1) the costs of making the Loan for the purpose of financing a portion of the costs of the Series 2016A Project as described in the Issuer Documents, and (2) a portion of the administrative, legal, financial and other expenses of the Issuer in connection with the Loan and the Series 2016A Project and incidental to the issuance of the Series 2016A Bonds.

(C) Neither the member, directors nor officers of the Issuer, nor any person executing the Series 2016A Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Series 2016A Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Otsego County, New York or any political subdivision thereof, and neither the State of New York, or Otsego County, New York nor any political subdivision thereof shall be liable thereon.

(D) The Series 2016A Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from repayment of the Loan or from the enforcement of the security provided by the Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

(E) Notwithstanding any other provision of this Bond Resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2016A Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Series 2016A Bonds, would have caused any of the Series 2016A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 5. (A) The Issuer hereby delegates to the Chairman, Vice Chairman or Chief Executive Officer of the Issuer the authority to determine, on behalf of the Issuer, the final details of the Series 2016A Bonds.

(B) The Chairman, Vice Chairman or Chief Executive Officer of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents and the other documents related thereto (collectively with the Issuer Documents, the "Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(C) The Chairman, Vice Chairman or Chief Executive Officer of the Issuer is hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Loan Agreement).

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and

proper to effect the purposes of this Bond Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 7. This Bond Resolution shall take effect immediately and the Series 2016A Bonds are hereby ordered to be issued in accordance with this Bond Resolution.

The question of the adoption of the foregoing Bond Resolution was duly put to a vote on roll call, which resulted as follows:

Devin S. Morgan	VOTING	<u>Yes</u>
James M. Jordan	VOTING	<u>Absent</u>
Joseph A. Bernier	VOTING	<u>Absent</u>
Craig Gelbsman	VOTING	<u>Yes</u>
Jeffrey C. Lord	VOTING	<u>Yes</u>
Robert S. Hanft	VOTING	<u>Yes</u>
Hugh Henderson	VOTING	<u>Yes</u>
Richmond J. Hulse, Jr.	VOTING	<u>Absent</u>
James Salisbury	VOTING	<u>Yes</u>

The foregoing Bond Resolution was thereupon declared duly adopted.



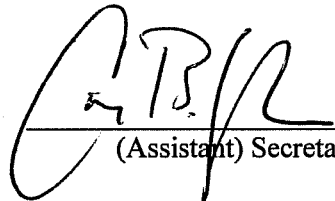
STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF OTSEGO                    )

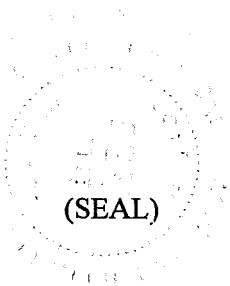
I, the undersigned (Assistant) Secretary of Otsego County Capital Resource Corporation (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Board of Directors of the Issuer, including the Resolution contained therein, held on July 28, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Board of Directors of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors of the Issuer present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 28th day of July, 2016.

  
\_\_\_\_\_  
(Assistant) Secretary



CERTIFICATE REGARDING  
NO CONFLICTS OF INTEREST

I, the undersigned (Vice) Chairman for the Otsego County Capital Resource Corporation (the “Issuer”), DO HEREBY CERTIFY, as follows:

1. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the “County”) adopted a resolution on October 1, 2008 (the “Sponsor Resolution”) (1) authorizing the incorporation of the Issuer under the Enabling Act and (2) appointing the initial members of the board of directors of the Issuer. On August 15, 2008, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Issuer as a public instrumentality of the County.

2. In accordance with the Enabling Act, the Issuer has determined to issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”), pursuant to its bond resolution duly adopted on July 28, 2016 (the “Bond Resolution”) and in accordance with the provisions of a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”) by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture,” and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee, in order to assist in providing financing for the benefit of Springbrook NY, Inc. (the “Institution”) with which the Issuer can undertake a project (the “Project”) consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance”

(within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement”) by and between the Issuer and the Institution.

3. Pursuant to the Bond Resolution, the Issuer further agreed to (A) loan the proceeds of the sale of the Series 2017 Bonds to the Institution pursuant to the terms of the Series 2017 Amendment to Loan Agreement; and (B) secure the Series 2017 Bonds by assigning to the Trustee certain of its rights and remedies under the Series 2017 Amendment to Loan Agreement and certain of the moneys due and to become due to the Issuer thereunder pursuant to an amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment”).

4. The Series 2017 Bonds will be purchased by Citizens Bank, N.A. (the “Agent”) as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the “Holder”).

5. I have made careful inquiry of each member, officer and employee of the Issuer having the power or duty to (a) negotiate, prepare, authorize or approve the Series 2017 Bonds, the Indenture, the Series 2017 Amendment to Loan Agreement, the 2017 Mortgage (as defined in the Indenture), and the Series 2017 Amendment to Pledge and Assignment (said documents being collectively referred to as the “Financing Documents”) or authorize or approve payment thereunder, (b) audit bills or claims under the Financing Documents, or (c) appoint an officer or employee who has any of the powers or duties as set forth above, as to whether or not such member, officer or employee has an “interest” (as defined pursuant to Article 18 of the General Municipal Law of the State of New York) in any of the Financing Documents. Upon information and belief, as a result of such inquiry, no such member, officer or employee has any such interest in any of the Financing Documents, unless otherwise noted below:

(1) Except as disclosed on Exhibit A attached hereto, no director, officer or employee of the Issuer directly or indirectly owns stock of or a partnership interest in the Institution or the Agent.

(2) Except as disclosed on Exhibit A attached hereto, no director, officer or employee of the Issuer is an officer or employee of the Institution or the Agent.

(3) Except as disclosed on Exhibit A attached hereto, no director, officer or employee of the Issuer is a member of the board of directors of the Institution or the Agent.

(4) If any director of the Issuer named in subparagraphs (1) through (3) above, if any, has publicly disclosed the nature and extent of such interest in writing to the members of the Issuer, such written disclosure has been made a part of and set forth in the official minutes of the Issuer, and a true, correct and complete copy of such written disclosure is annexed hereto as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand this 27 day of March, 2017.

  
\_\_\_\_\_  
(Vice) Chairman

EXHIBIT A

WRITTEN DISCLOSURES OF CONFLICTS OF INTEREST

-NONE-

---

IN THE MATTER OF TAXATION

OF

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

---

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

The undersigned, being duly sworn, deposes and says that:

1. He resides in Otsego County, New York and is the (Vice) Chairman of Otsego County Capital Resource Corporation (the "Issuer"), a New York not-for-profit corporation, pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"). Pursuant to the provisions of Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Issuer was formed as a public instrumentality of Otsego County, New York (the "County").

2. On or about March 27, 2017, the Issuer will issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), in order to assist in providing financing with which the Issuer can undertake a project (the "Project") for the benefit of Springbrook NY, Inc. (the "Institution"), which Project consists of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Series 2017 Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the "Series 2017 Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2017 Equipment") (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the "Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from mortgage recording taxes.

3. Contemporaneously with the issuance of the Series 2017 Bonds, the Institution will deliver a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution and Citizens Bank, N.A. (the “Agent”) as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the “Holder”), under which the Institution grants to the Agent and the Issuer a first lien on the Land (as more particularly described on the attached **Exhibit A**); the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”).

4. Contemporaneously with the issuance of the Series 2017 Bonds, the Issuer will deliver an amendment to pledge and assignment from the Issuer to Manufacturers and Traders Trust Company, as trustee (the “Trustee”) dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and together with the initial pledge and assignment dated September 1, 2010 (the “Initial Pledge and Assignment”) and the amendment to pledge and assignment dated as of July 1, 2012 (the “Series 2012A Amendment to Pledge and Assignment”), collectively referred to as the “Pledge and Assignment”) whereby the Issuer assigns to the Trustee certain of its rights in an amendment to loan agreement between the Issuer and the Institution dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and together with the initial loan agreement dated September 1, 2010 (the “Initial Loan Agreement”) and the amendment to loan agreement dated as of July 1, 2012 (the “Series 2012A Amendment to Loan Agreement”), collectively referred to as the “Loan Agreement”) and certain moneys due the Issuer thereunder to further secure the payment of the principal of, premium, if any, and interest on the Series 2017 Bonds.


5. Pursuant to the provisions of the Loan Agreement, the Issuer is required to record the Series 2017 Mortgage and Series 2017 Mortgage Assignment and file any related Uniform Commercial Code financing statements, in the office of the County Clerk of Otsego County, New York, or such other places as may be provided by law as the proper place for the recordation or filing thereof in order to fully preserve and protect the security for the Series 2017 Bonds.

6. Pursuant to an order dated December 22, 1995 (the “Order”) issued by the Commissioner of Taxation and Finance of the State of New York (the “Commissioner”), which Order is attached hereto as **Exhibit B**, the Commissioner found that the Issuer is a governmental entity and that mortgages given to or by governmental entities are not subject to mortgage recording tax.

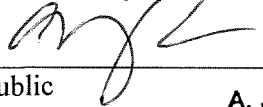
7. Deponent submits that no mortgage recording tax should be imposed upon the Series 2017 Mortgage or the Series 2017 Mortgage Assignment because (A) said Series 2017 Mortgage and Series 2017 Mortgage Assignment are being executed and delivered by the Issuer, a governmental entity and (B) the Commissioner has expressed his opinion that mortgages given by or to governmental entities are exempt from the mortgage recording tax.

IN WITNESS WHEREOF, the Issuer has caused this affidavit to be executed in its name by its duly authorized officer described below and dated as of the 23<sup>rd</sup> day of February, 2017.

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

BY:   
(Vice) Chairman

Sworn to before me this  
23<sup>rd</sup> day of February, 2017.

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

**A. Joseph Scott III**  
Notary Public, State of New York  
Qualified in Albany County  
No. 02SC4811591  
Commission Expires December 31, 2018



EXHIBIT A  
DESCRIPTION OF LAND  
- SEE ATTACHED -

## SCHEDULE A

### PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;

- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing 77.3265 acres.

#### PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

#### PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;

- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

#### PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

#### PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South 03°21'23" East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of 09° 08'14";
- 3) South 12° 29'37" East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of 03°17'47";
- 5) South 09°11'50" East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 71°23'21" West 481.85 feet;
- 2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 39°34'28" East 621.08 feet;
- 2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

- 1) South 52°59'18" East 48.34 feet;
- 2) North 89°31'36" East 123.99 feet;

to the point of beginning.

EXHIBIT B

THE ORDER

---SEE ATTACHED---

**New York State Department of Taxation and Finance  
Taxpayer Services Division  
Technical Services Bureau**

TSB-A-95 (16) - R  
Mortgage Recording Taxes  
December 22, 1995

STATE OF NEW YORK  
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. M950802C

On August 2, 1995, a Petition for Advisory Opinion was received from Greater Syracuse Business Development Corporation, 572 South Salina Street, Syracuse, New York, 13202-3320.

The issue raised by Petitioner, the Greater Syracuse Business Development Corporation ("GSBDC"), is whether construction loan mortgages recorded by the GSBDC are exempt from the mortgage recording tax imposed by Article 11 of the New York Tax Law, where the mortgages are assigned immediately after recording to a private lender for the duration of the construction phase, but then reassigned to GSBDC after the completion of the construction phase for the remainder of the term.

GSBDC is a not-for-profit local development corporation reincorporated under Section 1411 of the Not-For-Profit Corporation Law. GSBDC'S operations include making loans to businesses in Onondaga and contiguous counties secured by, among other things, mortgages on real property situated within New York State. These mortgages are recorded in the County Clerk's office in which the real property is situated.

In furtherance of its corporate purposes and powers, GSBDC participates in permanent financing of construction loans pursuant to the United States Small Business Administration's (SBA) 504 Loan Program (the "Program").

The Program was established by the SBA to make available to local development companies, like GSBDC, funds to loan to eligible business concerns. The Program provides long-term permanent financing to these businesses in participation with private lenders, and requires an equity contribution on the part of the borrower. Typically, the private lender provides permanent financing in an amount not to exceed fifty percent (50%) of the total project cost, with forty percent (40%) provided by the local development company and ten percent (10%) provided by the borrower. However, variations of the 50-40-10 allocation are permitted under certain circumstances.

Pursuant to the loan program, GSBDC commits to lending forty percent (40%) of the total cost, once the construction phase is complete. GSBDC, in furtherance of its corporate purposes and powers, plans to extend its participation in construction loans to Program borrowers by becoming involved, during the construction phase, in lending the amount (forty percent) for which it would ultimately provide permanent financing. GSBDC proposes to accomplish this as follows.

At the closing of the construction loans, in exchange for its commitment, GSBDC would take a promissory note (the "Note") from the borrower for an amount equal to forty percent (40%) of the total project cost. The Note would be secured by a mortgage granted by the borrower to GSBDC (the "Mortgage"). The construction loan agreement (the "Loan Agreement") would require GSBDC to advance funds to the borrower throughout the construction phase of the project up to the amount of its construction loan commitment with the funds provided to it by a participating lender through a one hundred percent (100%) pre-closing syndication of the loan with the lender. At the closing, GSBDC would effectively assign the Loan Agreement to the private lender. Advances under the Loan Agreement would be made by the private lender, directly or through GSBDC. Pursuant to a contract between GSBDC and the private lender, the Note and Mortgage would be directly enforceable only by the private lender even though the Note and Mortgage are never formally assigned to the private lender. The private lender would also take a separate note and mortgage for a portion of the remaining total project cost, typically fifty percent (50%). The remaining ten percent (10%) of the project cost would be provided by the borrower.

Upon completion of the construction phase, GSBDC would, through funding provided to it by the SBA and pursuant to its permanent financing commitment, take out the private lender for the forty percent (40%) of the total project costs that it lent through syndication. There would also be a modification of the Note and Mortgage to reflect permanent financing terms.

Section 252 of the Tax Law provides, with certain exceptions, that "[n]o mortgage of real property situated within this state shall be exempt, and no person or corporation owning any debt or obligation secured by mortgage of real property situated within this state shall be exempt, from taxes imposed by this article by reason of anything contained in any other statute..."

Section 1411 of the Not-for-Profit Corporation Law authorizes the creation of local development corporations. Subdivision (c) of section 1411 grants the following powers to local development corporations:

to construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain such plants for others in such territory, to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto, to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein, to borrow money and to issue negotiable bonds, notes and other obligations therefor, and notwithstanding section 510 (Disposition of all or substantially all assets) without leave of the court, to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon terms as it may determine and, in connection with loans from the New York job development authority, to enter into covenants and agreements and to comply with all terms, conditions and provisions thereof, and otherwise to carry out its corporate purposes and to foster and encourage the location or expansion of industrial or manufacturing plants in the territory in which the operations of such corporation are



TSB-A-95 (16) - R  
Mortgage Recording Taxes  
December 22, 1995

principally to be conducted, provided, however, that no such corporation shall attempt to influence legislation by propaganda or otherwise, or participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

Section 1411(f) of such law provides that "[t]he income and operations of corporations incorporated and reincorporated under this section shall be exempt from taxation."

Notwithstanding the language of Section 252 of the Tax Law, it is noted that claims for exemption from the mortgage recording tax by various public authorities in New York State based on tax exemptions provided in their creating statutes have been consistently allowed. This position is consistent with the general rule that where a conflict or variance exists between two enactments relating to the same general subject matter, the later special statute takes precedence against a general statute and the prior general statute must yield to the later specific or special statute. (Williamsburg Power Plant Corp. v City of New York, 255 App Div 214, affd 280 NY 551; First National Bank and Trust Co. v. Village of Saltaire, 256 App Div 156 and Empire State Certified Development Corporation, Adv Op Comm T&F, June 29, 1993, TSB-A-93(13)-R).

In accordance with the rationale set forth in Williamsburg Power Plant Corp. v City of New York, *supra*, First National Bank and Trust Co. v. Village of Saltaire, *supra*, and Empire State Certified Development Corporation *supra*, since Petitioner is reincorporated under Section 1411 of the Not-For-Profit Corporation Law, and Section 1411(f) provides that the income and operations of corporations incorporated or reincorporated under such section shall be exempt from taxation, the recording of mortgages given to Petitioner is exempt from the mortgage recording tax imposed by Article 11 of the Tax Law. This conclusion is unaltered by the fact that the mortgages are or may be assigned immediately after recording to a private lender for the duration of the construction phase of the Project, but then reassigned to Petitioner after the completion of the construction phase for the remainder of their term.

DATED: December 22, 1995

/s/  
DORIS S. BAUMAN  
Director  
Technical Services Bureau

NOTE: The opinions expressed in Advisory Opinions  
are limited to the facts set forth therein.

ARBITRAGE CERTIFICATE

I, the undersigned (Vice) Chairman of Otsego Capital Resource Corporation (the “Issuer”), DO HEREBY CERTIFY that I am an officer of the Issuer charged, along with others, with responsibility for issuing the (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) (the “Series 2017 Bonds”) pursuant to its bond resolution adopted by the members of the Issuer on July 28, 2016 (the “Bond Resolution”) and in accordance with the provisions of a (1) trust indenture dated as of September 1, 2010, by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”) (the “Initial Indenture”), (2) supplemental indenture dated as of July 1, 2012, by and between the Issuer and the Trustee (the “2012 Supplemental Indenture”), or (3) supplemental indenture dated as of March 1, 2017, by and between the Issuer and the Trustee (the “2017 Supplemental Indenture,” and together with the Initial Indenture and the 2012 Supplemental Indenture, being collectively referred to as the “Indenture”) between the Issuer and the Trustee for the holders of the Series 2017 Bonds, AND THAT, on the basis of the facts, estimates and circumstances of which the Issuer has knowledge on the date of this certificate, I DO HEREBY CERTIFY THAT:

1. As used in this certificate, the word “Code” means the Internal Revenue Code of 1986, as amended, the phrase “Treasury Regulations” means any applicable Department of Treasury Regulations issued thereunder, and the word “proceeds” means all types of “proceeds” described in the Code, including, but not limited to, “gross proceeds”, within the meaning of Section 148(f)(6)(B) of the Code. Any initial capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture and in the tax regulatory agreement dated the date hereof (the “Tax Regulatory Agreement”) executed by Springbrook NY, Inc. (the “Institution”), a New York not-for-profit corporation, in favor of the Issuer and the Trustee and relating to the Series 2017 Bonds.

2. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the “County”) adopted a resolution on October 1, 2008 (the “Sponsor Resolution”) (1) authorizing the incorporation of the Issuer under the Enabling Act and (2) appointing the initial members of the board of directors of the Issuer. On October 15, 2008, a certificate of incorporation was filed with the New York State Secretary of State’s Office, (the “Certificate of Incorporation”).

3. (A) The Series 2017 Bonds are being issued by the Issuer for the purpose of funding a portion of the costs of a project (the “Series 2017 Project”) being undertaken by the Issuer for the benefit of the Institution, said Series 2017 Project consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing

buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of certain exemptions from mortgage recording taxes.

(B) The Issuer will execute and deliver (a) a certain amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement” and together with the loan agreement dated as of September 1, 2010 between the Issuer and the Institution, as amended by an amendment to loan agreement dated as of July 1, 2012, being collectively referred to as the “Loan Agreement”), and (b) certain other documents related to the Series 2017 Project and to the Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Initial Financing Documents”).

(C) Pursuant to the terms of the Loan Agreement, (1) the Institution will agree (a) to cause the Series 2017 Project to be undertaken and completed, and (b) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (2) the Issuer will agree to loan the proceeds of the Series 2017 Bonds to the Institution for the purpose of financing the undertaking and completion of the Series 2017 Project Facility.

(D) The Loan Agreement, among other things, provides for the payment by the Institution of loan payments due under Section 5.1(A) of the Loan Agreement for a term equal to the term of the Series 2017 Bonds. Pursuant to Section 5.1(A) of the Loan Agreement, on or before each Bond Payment Date, the Institution is obligated to make basic loan payments in an amount equal to the Debt Service Payments due on the Series 2017 Bonds on such Bond Payment Date, and such payments are payable directly to the Trustee for deposit in the Bond Fund, and thereafter shall be applied by the Trustee to make such Debt Service Payments. No such payments will be received by or invested for the Issuer.

(E) Pursuant to Section 405(C) of the Indenture, except as otherwise provided in the Tax Documents, in no event will any moneys deposited in the Bond Fund be held in the Bond Fund for a period in excess of twelve (12) months. Pursuant to Section 6.1(B)(7) of the Tax Regulatory Agreement, the Institution has promised to ensure (1) that all amounts in the Bond Fund will be depleted at least once a year, except for a “reasonable carryover amount” (as defined in Section 1.148-1(b) of the Treasury Regulations) and (2) that the Bond Fund will qualify as a “bona fide debt service fund” (as defined in Section 1.148-1(b) of the Treasury Regulations). The amounts on deposit in the Bond Fund may be invested at Higher Yielding Investments as permitted by Section 1.148-9(d)(1) of the Treasury Regulations.

(F) Pursuant to Section 6.1(B)(1) of the Tax Regulatory Agreement, the Institution has certified that the Institution will make the basic loan payments due under Section 5.1(A) of the Loan Agreement from the general funds of the Institution, including the revenues generated from the Initial Tax-Exempt Project Facility, and, except for the Reserve Fund created under the Indenture, that the Institution has not and will not set aside or reserve any funds for such payments.

(G) In addition to the basic loan payments due under Section 5.1(A) of the Loan Agreement, the Institution is required (1) pursuant to Section 5.1(B)(2)(a) of the Loan Agreement to pay to the Issuer an administrative fee of \$18,750 relating to the Initial Tax-Exempt Project and (2) pursuant to Section 5.1(B)(2)(b) of the Loan Agreement to pay to the Issuer the reasonable expenses incurred by the Issuer and its representatives in connection with the transactions contemplated thereby, and certain other fees and expenses as set forth or referred to therein. The Issuer does not expect that it will be incurring any expenses that will cause it to make a demand of the Institution under Section 5.1(B)(2)(b) of the Loan Agreement.

(H) The Loan Agreement constitutes an obligation of the Institution, which is an organization described in Section 501(c)(3) of the Code. Pursuant to Section 6.1(B)(2) of the Tax Regulatory Agreement, at least 95% of all amounts received by the Issuer pursuant to the Loan Agreement with respect to the Series 2017 Project Facility will be used for the following purposes: (1) to pay the Debt Service Payments due on the Series 2017 Bonds or other obligations of the Issuer relating to the Issuer's program for providing Financial Assistance to the Institution (the "Program"); (2) to reimburse the Issuer for, or to pay for, administrative costs and other costs and anticipated future losses directly related to the Program; (3) to finance additional purpose investments for the same general purposes of the Program; and (4) to redeem or retire the Series 2017 Bonds or other outstanding obligations of the Issuer at the earliest possible date of redemption.

(I) Pursuant to Section 6.1(B)(3) of the Tax Regulatory Agreement, the Institution will not permit the Institution or any other obligor on a purpose investment financed by the Program (or any Related Person to the Institution or any such obligor) to purchase the Series 2017 Bonds in an amount related to the amount of the purpose obligations to be acquired by the Issuer from the Institution (or such other obligor).

(J) The "yield" (as that term is defined in the Code, the "Yield") to be derived by the Issuer in the aggregate from its administrative fee and pursuant to the Loan Agreement will not exceed by more than one and one-half percent (1½%) per annum the yield payable by the Issuer on the Series 2017 Bonds.

(K) Pursuant to Section 6.1(E) of the Tax Regulatory Agreement, the Institution has certified that it is not expected that there will be sufficient revenues and/or reserves accumulated or retained by the Issuer to retire the Series 2017 Bonds significantly before maturity.

4. (A) Pursuant to Section 6.1(G)(1) of the Tax Regulatory Agreement, the Institution has certified that the anticipated total cost and completion date of the acquisition, construction, reconstruction and installation of the Project is as follows:

COST	ANTICIPATED DATE OF COMPLETION
\$10,500,000.00	February 1, 2020

(B) Pursuant to Section 6.1(G)(2) of the Tax Regulatory Agreement, the Institution has certified that the total amount of the sale proceeds of the Series 2017 Bonds (\$10,500,000.00), plus anticipated interest earnings thereon net of expected arbitrage rebate), will be expended to pay the cost of the Series 2017 Project as follows:

- (1) \$100,000.00 will used within six months of the date hereof to pay other Issuance Costs relating to the Series 2017 Bonds; and
- (2) the balance will be used within three years of the date hereof to pay other Costs of the Series 2017 Project.

5. (A) Pursuant to Section 6.1(F)(2) of the Tax Regulatory Agreement, the Institution has represented that the Institution expects that all proceeds received by the Issuer from the sale of the Series 2017 Bonds, as advanced by the Bank pursuant to the terms of the Bond Purchase Agreement, will be held in the Project Fund and thereafter disbursed pursuant to the Indenture to pay expenses incurred in connection with the issuance of the Series 2017 Bonds and the costs of the acquisition, construction, reconstruction and installation of the Initial Tax-Exempt Project Facility. Pursuant to Section 6.1(F)(3) of the Tax Regulatory Agreement, the Institution has represented that (1) prior to disbursement, such moneys shall be invested at an unrestricted yield during the applicable temporary periods as provided in the Code, and (2) that any proceeds derived from the investment or reinvestment of such moneys will, within three (3) years of the date of this certificate or within one (1) year after receipt of such investment income, be expended on costs of acquiring, constructing, reconstructing and installing the Series 2017 Project Facility, applied to redeem the Series 2017 Bonds or deposited in the Rebate Fund for rebate to the United States.

(B) Pursuant to Section 401 of the Indenture, the Trustee has been directed to establish the Rebate Fund. Pursuant to Section 407 of the Indenture, moneys in the Rebate Fund will be applied first to make the rebate payments to the United States described in Section 6.4 of the Tax Regulatory Agreement and Section 8 hereof, and any excess funds will be deposited in the Project Fund prior to the Completion Date or, after the Completion Date, transferred to the Initial Bond Account in the Bond Fund to be applied to the redemption of the Series 2017 Bonds.

(C) Pursuant to Section 401 of the Indenture, the Trustee has been directed to establish the Insurance and Condemnation Fund. Pursuant to Section 6.1(J)(2) of the Tax Regulatory Agreement, the Institution has represented that there are not expected to be any insurance awards or condemnation proceeds which will be deposited in the Insurance and Condemnation Fund which will become available to prepay or secure the Series 2017 Bonds.

(D) Except as specifically provided above, there is and will be no segregated or identifiable fund not described herein (including, but not limited to, a sinking fund, pledged fund or similar fund, including, without limitation, any arrangement under which moneys, securities or obligations are pledged directly or indirectly to secure or for payment of debt service on the Series 2017 Bonds or any contract securing the Series 2017 Bonds or any arrangement providing for compensating balances to be maintained by the Institution or any guarantor of the Series 2017 Bonds or any Related Person to any of them) held by or on behalf of the Issuer, the Institution, any guarantor of the Series 2017 Bonds, the Trustee or any Holder of the Series 2017 Bonds which the holders of the Series 2017 Bonds are assured will be available to pay the principal of or interest on, or the premium, if any, on, the Series 2017 Bonds, which will be pledged as security for the Series 2017 Bonds, or which will replace moneys that will be used to pay such principal, interest or premium, if any.

(E) Pursuant to Section 6.1(K)(1) of the Tax Regulatory Agreement, the Institution has represented that (1), on an ongoing basis, the Institution receives donations, grants and other moneys for the purpose of financing various capital improvements, and (2) the Institution also undertakes on an ongoing basis fund-raising campaigns to finance various capital improvements. Pursuant to Section 6.1(K) of the Tax Regulatory Agreement, the Institution has represented and covenanted that (a) if the Institution has embarked or embarks in the future on a capital campaign in connection with any of the

projects being financed or refinanced with proceeds of the Series 2017 Bonds, and has received or will receive any amounts pursuant to such capital campaign, the Institution has applied (and will apply) such contributed amounts in accordance with the terms of the contribution and solicitation materials, (b) any costs of the Series 2017 Project intended to be financed or refinanced with the proceeds of the Series 2017 Bonds which are not financed or refinanced with the proceeds of the Series 2017 Bonds may be financed or refinanced with such contributed funds, including cost overruns and furnishings and fixtures, (c) if there are no additional costs which can be paid in accordance with the terms of the contributions (including as defined by the terms of the solicitation materials), the Institution will apply such contributed funds to the repayment of principal of the Series 2017 Bonds, and (d) to the extent that the amounts required to repay principal of the Series 2017 Bonds exceed the principal payments coming due within one year of the date of receipt of such amounts, the Institution will invest the excess amounts in obligations the yield on which does not exceed the Yield on the Series 2017 Bonds or in obligations the interest on which is not included in gross income under Section 103 of the Code and is not a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

(F) Pursuant to Section 6.1(K)(2) of the Tax Regulatory Agreement, except for certain pledges of gifts to the Institution restricted to use for payment of costs of the Series 2017 Project or payment of the loan payments or other payments due under the Loan Agreement or under the Series 2017 Bonds (the “Project Pledges”), the Institution has represented that (a) no contributions or pledges of gifts to the Institution in connection with any past or current capital fund drive are pledged to the payment of the loan payments or any other payments due under the Loan Agreement, and (b) the Institution has the right to use and dispose of any gifts and proceeds received by the Institution as a result of any such capital campaign for the enlargement of the endowment funds of the Institution, and funds functioning as endowment, and for facilities of any kind, as well as for payment of Costs of the Project financed or refinanced with the proceeds of the Series 2017 Bonds, in the discretion of the Institution, but subject to any directions of and restrictions and conditions imposed on the Institution by the respective donors. Pursuant to Section 6.1(K)(3) of the Tax Regulatory Agreement, the Institution has agreed that the use of the contributions, pledges of gifts and funds held in any capital campaign fund or general debt service reserve fund maintained by the Institution are not limited or restricted to the payment of Costs of the Project which are payable from the Project Fund or the loan payments or other payments due under the Loan Agreement or the Series 2017 Bonds.

(G) Pursuant to Section 6.1(L) of the Tax Regulatory Agreement, the Institution has represented that no amounts are held by the Institution under an agreement to maintain an amount at a particular level for the direct or indirect benefit of the Trustee, the Bond Insurer or the Bondholders.

(H) Pursuant to Section 6.1(M) of the Tax Regulatory Agreement, with respect to the endowment funds of the Institution (the “Endowment Funds”), the Institution has represented the following: (a) the Endowment Funds are reasonably necessary as part of the permanent capital of the Institution, (b) the Endowment Funds are derived from gifts or bequests, or the income thereon, that were neither made nor (except for income thereon) were reasonably expected to be used to pay working capital expenditures, and (c) pursuant to reasonable, established practices of the Institution, the Institution designates and consistently operates the Endowment Funds as a permanent endowment fund or quasi-endowment fund restricted as to use.

6. Pursuant to Section 6.1(L) of the Tax Regulatory Agreement, the Institution has represented that there is and will be no segregated or identifiable fund not described above (including but not limited to a sinking fund, pledged fund, or similar fund, including without limitation any arrangement under which money, securities or obligations are pledged, directly or indirectly, to secure or for payment of debt service on the Series 2017 Bonds or any contract securing the Series 2017 Bonds or any arrangement providing for

compensating balances to be maintained by the Institution with the Trustee) held by or on behalf of the Issuer, the Institution, the Trustee or any Holder of the Series 2017 Bonds, which the holders of the Series 2017 Bonds are assured will be available to pay the principal of or interest on, and premium, if any, on the Series 2017 Bonds, which will be pledged as security for the Series 2017 Bonds, or which will replace money that will be used to pay such principal, interest or premium, if any.

7. Pursuant to Section 6.1(N) of the Tax Regulatory Agreement, the Institution has represented that, except as disclosed in Section 2.1(N) of the Tax Regulatory Agreement or on Schedule M attached thereto, the Series 2017 Project Facility financed with the proceeds of the Series 2017 Bonds is not expected to be sold, leased in a transaction which is treated as a sale for federal income tax purposes or otherwise disposed of, in whole or in part, while the Series 2017 Bonds are outstanding.

8. Pursuant to Section 6.2 of the Tax Regulatory Agreement, the Institution has agreed to comply with the provisions of Section 148(f) of the Code, without limiting the generality of the foregoing, including, rebating to the United States an amount equal to the excess of the aggregate amount earned on all “non-purpose obligations” (as defined in the Code) over the amount which would have been earned if all such non-purpose obligations were invested at a rate equal to the Yield on the Series 2017 Bonds plus any income attributable to such excess, all as set forth in Section 148(f)(2) of the Code.

9. Pursuant to Section 6.1(O) of the Tax Regulatory Agreement, the Institution has certified that, except as specifically set forth in paragraphs 3 and 5 hereof and in the Tax Regulatory Agreement, no portion of the proceeds of the Series 2017 Bonds are expected to be used directly or indirectly to acquire obligations which may reasonably be expected to produce a Yield during the term of the Series 2017 Bonds which is materially higher than the Yield of the Series 2017 Bonds or to replace funds used directly or indirectly to acquire any such obligations.

10. Pursuant to Section 6.1(P) of the Tax Regulatory Agreement, the Institution has certified that, other than as set forth in paragraphs 3 and 5 hereof and in the Tax Regulatory Agreement, no “securities”, as defined in Section 165(g)(2)(A) and (B) of the Code, or other “investment property”, as defined in Section 148(b)(2) of the Code, will be pledged as collateral for the payment of the principal of or interest on the Series 2017 Bonds.

11. Pursuant to Section 6.1(Q) of the Tax Regulatory Agreement, the Institution has certified that, except as specifically set forth in paragraphs 3 and 4 hereof and in the Tax Regulatory Agreement, the proceeds of the Series 2017 Bonds will not be used to refinance or refund any prior “private activity bond” (within the meaning of Section 141(a) of the Code).

12. This certificate is being executed and delivered pursuant to Sections 1.148-0 through 1.148-11 of the Treasury Regulations. To the best of the knowledge, information and belief of the Issuer, its expectations as set forth herein are reasonable, the facts, estimates and circumstances set forth above or relied upon by the Issuer as stated herein are accurate and complete in all respects and there are no other facts, estimates or circumstances that would change the expectations and representations of the Issuer as set forth herein. In this regard, the Issuer has relied upon the representations, warranties and covenants made by the Institution in the Tax Regulatory Agreement, including those representations, warranties and covenants made by the Institution to the effect that the Institution has reviewed this certificate and, to the best of its knowledge, information and belief, the facts, estimates and circumstances set forth herein are accurate and complete in all respects and there are no other facts, estimates or circumstances that would change the expectations and representations of the Issuer set forth herein.

13. The Issuer has not been notified of any listing and knows of no listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates with respect to its bond issues may not be relied upon.

14. Based upon representations of the Institution made to the Issuer in the Tax Regulatory Agreement and elsewhere, the Series 2017 Bonds are not being issued to enable the Issuer to exploit the difference between tax exempt and taxable interest rates to gain a material advantage and increase the burden on the market for tax exempt obligations in any manner, including, without limitation, by selling a bond that would not otherwise be sold, by selling a larger bond than necessary or by issuing a bond sooner than necessary or permitting it to remain outstanding longer than would otherwise be necessary.


15. This certificate is executed as of the date of issuance of the Series 2017 Bonds (i.e., the date of delivery of the Series 2017 Bonds in exchange for the purchase price thereof).

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**



IN WITNESS WHEREOF, on behalf of the Issuer, I have hereunto set my hand this 27 day of March, 2017.

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

BY:   
(Vice) Chairman

**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

<b>Part I Reporting Authority</b>		Check if Amended Return <input checked="" type="checkbox"/>
1 Issuer's name OTSEGO COUNTY CAPITAL RESOURCE CORPORATION		2 Issuer's employer identification number 26-3661593
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 189 MAIN STREET, 5TH FLOOR	Room/suite	5 Report number (For IRS Use Only) <input type="checkbox"/> 1 <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code ONEONTA, NEW YORK 13820		7 Date of issue (MM/DD/YYYY) 03/27/2017
8 Name of issue Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A-C		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information ELIZABETH HORVATH, COO/CFO		10b Telephone number of officer or other employee shown on 10a 607-267-4010

<b>Part II Type of Issue (Enter the issue price.)</b>		Issue Price
11 Exempt facility bond:		
a Airport (sections 142(a)(1) and 142(c))		11a
b Docks and wharves (sections 142(a)(2) and 142(c))		11b
c Water furnishing facilities (sections 142(a)(4) and 142(e))		11c
d Sewage facilities (section 142(a)(5))		11d
e Solid waste disposal facilities (section 142(a)(6))		11e
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)		11f
Meeting 20-50 test (section 142(d)(1)(A))	<input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B))	<input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6))	<input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))		11g
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)		11h
Facility type _____		
1986 Act section _____		
i Qualified enterprise zone facility bonds (section 1394) (see instructions)		11i
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)		11j
k District of Columbia Enterprise Zone facility bonds (section 1400A)		11k
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))		11l
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))		11m
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))		11n
o Other (see instructions) _____		
p Qualified New York Liberty Zone bonds (section 1400L(d))		11p
q Other (see instructions) _____		11q
12a Qualified mortgage bond (section 143(a))		12a
b Other (see instructions) _____		12b
13 Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶		13
Check the box if you elect to rebate arbitrage profits to the United States	<input type="checkbox"/>	
14 Qualified small issue bond (section 144(a)) (see instructions) ▶		14
Check the box for \$10 million small issue exemption	<input type="checkbox"/>	
15 Qualified student loan bond (section 144(b))		15
16 Qualified redevelopment bond (section 144(c))		16
17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)		17
18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)		18
Check box if 95% or more of net proceeds will be used only for capital expenditures	<input checked="" type="checkbox"/>	10,500,000
19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))		19
20a Other (see instructions) _____		
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)		20b
c Other. Describe (see instructions) ▶ _____		20c

**Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2044	\$ 10,500,000	\$ 10,500,000	15.7721 years	VR%

**Part IV Uses of Proceeds of Issue (including underwriters' discount)**

		Amount
22	Proceeds used for accrued interest	0
23	Issue price of entire issue (enter amount from line 21, column (b))	10,500,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	210,000
25	Proceeds used for credit enhancement	0
26	Proceeds allocated to reasonably required reserve or replacement fund	0
27	Proceeds used to currently refund prior issue (complete Part VI)	0
28	Proceeds used to advance refund prior issue (complete Part VI)	0
29	Add lines 24 through 28	210,000.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	10,290,000.00

**Part V Description of Property Financed by Nonrefunding Proceeds**

*Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.*

		Amount
31	Type of Property Financed by Nonrefunding Proceeds:	
a	Land	31a
b	Buildings and structures	31b 9,000,000
c	Equipment with recovery period of more than 5 years	31c
d	Equipment with recovery period of 5 years or less	31d 500,000
e	Other. Describe (see instructions) Capitalized Interest; Contingency; Title Insurance	31e 790,000

**32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.**

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	624100	\$ 10,290,000	c		\$
b		\$	d		\$

**Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)**

33	Enter the remaining weighted average maturity of the bonds to be currently refunded	▶	N/A years
34	Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	years
35	Enter the last date on which the refunded bonds will be called	▶	
36	Enter the date(s) the refunded bonds were issued	▶	

**Part VII Miscellaneous**

37 Name of governmental unit(s) approving issue (see the instructions) ▶ Public Hearing: May 10, 2016 and Public Approval: Otsego County Board of Representatives - June 1, 2016

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III). ▶

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶

40a Check the box if you have identified a hedge and enter the following information ▶

b Name of hedge provider \_\_\_\_\_

c Type of hedge ▶ \_\_\_\_\_

d Term of hedge ▶ \_\_\_\_\_

41 Check the box if the hedge is superintegrated ▶

42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) ▶ \_\_\_\_\_

b Enter the final maturity date of the GIC ▶ \_\_\_\_\_

c Enter the name of the GIC provider ▶ \_\_\_\_\_

43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions) ▶

44 Check the box if the issuer has established written procedures to monitor the requirements of section 148 ▶

45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures ▶ \_\_\_\_\_

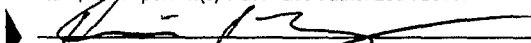
b Enter the date the official intent was adopted ▶ \_\_\_\_\_

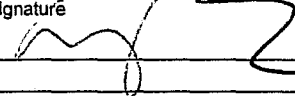
46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user ▶

Name ▶ \_\_\_\_\_ EIN \_\_\_\_\_

Part VIII Volume Caps		Amount
47	Amount of state volume cap allocated to the issuer. <b>Attach copy of state certification</b> . . . . .	47
48	Amount of issue subject to the unified state volume cap . . . . .	48
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49 10,500,000
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities . . . . .	49a
b	Under a carryforward election. Attach a copy of Form 8328 to this return . . . . .	49b
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶ _____	49c
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds . . . . .	50a
b	Enter the state limit on qualified veterans' mortgage bonds . . . . .	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. <b>Attach copy of local government certification</b>	51a
b	Name of empowerment zone ▶ _____	
52	Amount of section 142(k)(5) volume cap allocated to issuer. <b>Attach copy of state certification</b>	52

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

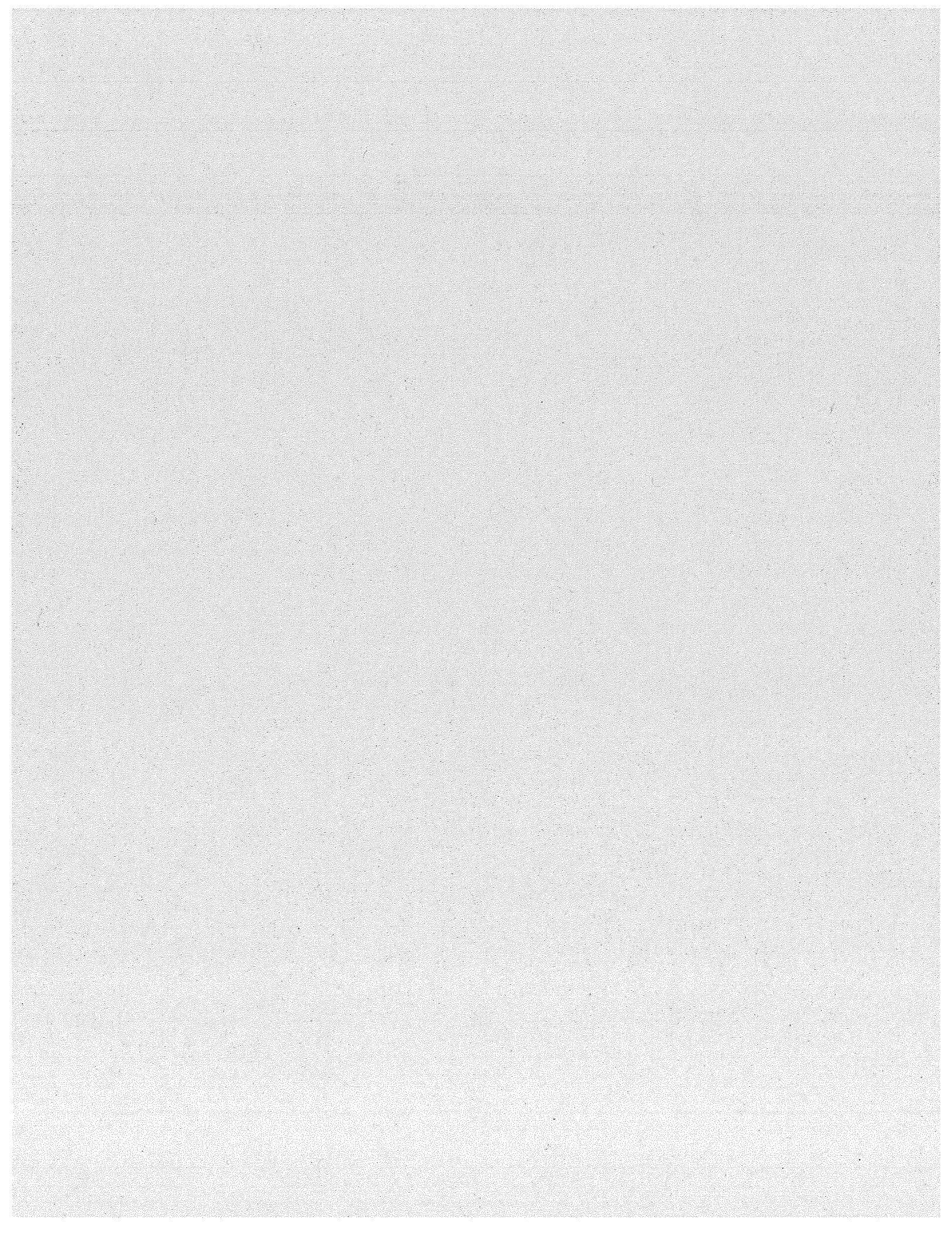

3/27/2017  
 Signature of issuer's authorized representative Date (Vice) Chairman  
Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	A. Joseph Scott, III		3/27/17		PO1446984
	Firm's name ▶ Hodgson Russ LLP	Firm's EIN ▶ 16-0708550			
Firm's address ▶ 677 Broadway, Suite 301, Albany, NY 12207			Phone no. 518.465.2333		

**SCHEDULE TO FORM 8038  
INFORMATION RETURN FOR TAX-EXEMPT PRIVATE  
ACTIVITY BONDS**

**Line 18 Information:**

1. Name of 501(c)(3) Organization:  
Springbrook NY, Inc.
2. Employer Identification Number of 501(c)(3) Organization:  
15-0539129
3. The amount of this issue of bonds benefiting the organization:  
\$10,500,000



**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

<b>Part I Reporting Authority</b>		Check if Amended Return <input type="checkbox"/>
<b>1 Issuer's name</b> OTSEGO COUNTY CAPITAL RESOURCE CORPORATION		<b>2 Issuer's employer identification number</b> 26-3661593
<b>3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)</b>		<b>3b Telephone number of other person shown on 3a</b>
<b>4 Number and street (or P.O. box if mail is not delivered to street address)</b> 189 MAIN STREET, 5TH FLOOR	<b>Room/suite</b>	<b>5 Report number (For IRS Use Only)</b> 1 <input type="checkbox"/> <input type="checkbox"/>
<b>6 City, town, or post office, state, and ZIP code</b> ONEONTA, NEW YORK 13820		<b>7 Date of issue (MM/DD/YYYY)</b> 03/27/2017
<b>8 Name of issue Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A-C</b>		<b>9 CUSIP number</b> None
<b>10a Name and title of officer or other employee of the issuer whom the IRS may call for more information</b> ELIZABETH HORVATH, COO/CFO		<b>10b Telephone number of officer or other employee shown on 10a</b> 607-267-4010

<b>Part II Type of Issue (Enter the issue price.)</b>	<b>Issue Price</b>
<b>11 Exempt facility bond:</b>	
<b>a Airport (sections 142(a)(1) and 142(c))</b> . . . . .	<b>11a</b>
<b>b Docks and wharves (sections 142(a)(2) and 142(c))</b> . . . . .	<b>11b</b>
<b>c Water furnishing facilities (sections 142(a)(4) and 142(e))</b> . . . . .	<b>11c</b>
<b>d Sewage facilities (section 142(a)(5))</b> . . . . .	<b>11d</b>
<b>e Solid waste disposal facilities (section 142(a)(6))</b> . . . . .	<b>11e</b>
<b>f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)</b> . . . . .	<b>11f</b>
Meeting 20–50 test (section 142(d)(1)(A)) . . . . . <input type="checkbox"/>	
Meeting 40–60 test (section 142(d)(1)(B)) . . . . . <input type="checkbox"/>	
Meeting 25–60 test (NYC only) (section 142(d)(6)) . . . . . <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))</b> . . . . .	<b>11g</b>
<b>h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)</b> . . . . .	<b>11h</b>
Facility type _____	
1986 Act section _____	
<b>i Qualified enterprise zone facility bonds (section 1394) (see instructions)</b> . . . . .	<b>11i</b>
<b>j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)</b> . . . . .	<b>11j</b>
<b>k District of Columbia Enterprise Zone facility bonds (section 1400A)</b> . . . . .	<b>11k</b>
<b>l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))</b> . . . . .	<b>11l</b>
<b>m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))</b> . . . . .	<b>11m</b>
<b>n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))</b> . . . . .	<b>11n</b>
<b>o Other (see instructions)</b> _____	
<b>p Qualified New York Liberty Zone bonds (section 1400L(d))</b> _____	<b>11p</b>
<b>q Other (see instructions)</b> _____	<b>11q</b>
<b>12a Qualified mortgage bond (section 143(a))</b> . . . . .	<b>12a</b>
<b>b Other (see instructions)</b> _____	<b>12b</b>
<b>13 Qualified veterans' mortgage bond (section 143(b)) (see instructions)</b> ▶	<b>13</b>
Check the box if you elect to rebate arbitrage profits to the United States . . . . . <input type="checkbox"/>	
<b>14 Qualified small issue bond (section 144(a)) (see instructions)</b> ▶	<b>14</b>
Check the box for \$10 million small issue exemption . . . . . <input type="checkbox"/>	
<b>15 Qualified student loan bond (section 144(b))</b> . . . . .	<b>15</b>
<b>16 Qualified redevelopment bond (section 144(c))</b> . . . . .	<b>16</b>
<b>17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)</b> . . . . .	<b>17</b>
<b>18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)</b> . . . . .	<b>18</b>
Check box if 95% or more of net proceeds will be used only for capital expenditures . . . . . <input checked="" type="checkbox"/>	10,500,000
<b>19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))</b> . . . . .	<b>19</b>
<b>20a Other (see instructions)</b> _____	
<b>b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)</b> _____	<b>20b</b>
<b>c Other. Describe (see instructions)</b> ▶ _____	<b>20c</b>

For Paperwork Reduction Act Notice, see separate instructions.

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

Table with 5 columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield. Row 21: 08/01/2044, \$ 10,500,000, \$ 10,500,000, 15.7721 years, VR%

Part IV Uses of Proceeds of Issue (including underwriters' discount)

Table with 2 columns: Description, Amount. Rows 22-30 detailing proceeds used for accrued interest, issue price, bond issuance costs, credit enhancement, reserve, refund, and nonrefunding proceeds.

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

Table with 2 columns: Type of Property Financed by Nonrefunding Proceeds, Amount. Rows 31a-e: Land, Buildings and structures, Equipment with recovery period of more than 5 years, Equipment with recovery period of 5 years or less, Other.

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

Table with 4 columns: NAICS Code, Amount of nonrefunding proceeds, NAICS Code, Amount of nonrefunding proceeds. Row a: 624100, \$ 10,290,000.

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

Table with 2 columns: Description, Amount. Rows 33-36: Remaining weighted average maturity of bonds to be currently refunded, advance refunded, last date called, date(s) issued.

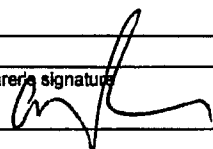
Part VII Miscellaneous

Table with 2 columns: Description, Amount/Response. Rows 37-46: Name of governmental unit(s) approving issue, check boxes for designated issue, penalty, hedge, superintegrated, GIC, remediated, reimbursement, date adopted, qualified redevelopment.

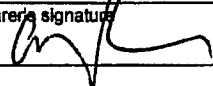


Part VIII Volume Caps		Amount
47	Amount of state volume cap allocated to the issuer. Attach copy of state certification . . . . .	47 0
48	Amount of issue subject to the unified state volume cap . . . . .	48 0
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities . . . . .	49a
b	Under a carryforward election. Attach a copy of Form 8328 to this return . . . . .	49b
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c
d	Under the exception for current refunding (section 148(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds . . . . .	50a
b	Enter the state limit on qualified veterans' mortgage bonds . . . . .	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	51a
b	Name of empowerment zone ▶	
52	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	52

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative:  Date: \_\_\_\_\_ (Vice) Chairman  
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
A. Joseph Scott, III				PO1446984
Firm's name ▶ Hodgson Russ LLP	Firm's EIN ▶ 16-0708550			
Firm's address ▶ 677 Broadway, Suite 301, Albany, NY 12207	Phone no. 518.465.2333			

**SCHEDULE TO FORM 8038  
INFORMATION RETURN FOR TAX-EXEMPT PRIVATE  
ACTIVITY BONDS**

**Line 18 Information:**

1. Name of 501(c)(3) Organization:

Springbrook NY, Inc.

2. Employer Identification Number of 501(c)(3) Organization:

15-0539129

3. The amount of this issue of bonds benefiting the organization:

\$10,500,000

CLOSING ITEM NO.: B-6

AFFIDAVIT OF MAILING  
OF **AMENDED** IRS FORM 8038

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

The undersigned, being duly sworn, hereby states:


that on April 5, 2017, I mailed via Federal Express Priority Overnight (**Tracking No.: 7719 2073 7932**), a fully-executed original **Amended** IRS Form 8038 (Information Return for Tax-Exempt Governmental Obligations) in connection with the (a) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000; (b) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000; and (c) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,00 (the "Bonds") issued by Otsego County Capital Resource Corporation on March 27, 2017 to the following:

Internal Revenue Service  
1973 N. Rulon White Boulevard  
Ogden, Utah 84201

In witness thereof, I have hereunto set my hand this 6<sup>th</sup> day of April, 2018.

  
\_\_\_\_\_  
Adam Carson

Sworn to before me this 6<sup>th</sup> day  
of April, 2018.

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

**Pamella Weisberg**  
**Notary Public, State of New York**  
**Qualified in Rensselaer County**  
**No. 01WE4943734**  
**Commission Expires October 31, 2018**



A. Joseph Scott, III  
Partner  
ascott@hodgsonruss.com

April 5, 2018

**VIA FEDERAL EXPRESS – Tracking Number 7719 2073 7932**

Internal Revenue Service Center  
1973 N. Rulon White Blvd.  
Ogden, Utah 84201

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Dear Sir/Madam:

Enclosed please find an **AMENDED** executed form 8038 Information Return in connection with the above-referenced matters.

After reviewing our file post closing, it was discovered that the original filing did not contain a fully completed and fully executed page 3 to the 8038 Information Return. The page 3 to the Return has been updated to include the following:

1. Insertion of "\$10,500,00" on Line 49; and
2. Insertion of the complete signature page (reflecting the signatures obtained on the closing date).

No other changes have been made to the original filing.

059346.00007 Business 17083354v1

Internal Revenue Services  
April 5, 2018  
Page 2



If you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "A. Joseph Scott, III".

A. Joseph Scott, III

Enclosure

**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

OMB No. 1546-0720

<b>Part I Reporting Authority</b>		Check if Amended Return <input checked="" type="checkbox"/>
1 Issuer's name <b>OTSEGO COUNTY CAPITAL RESOURCE CORPORATION</b>		2 Issuer's employer identification number <b>26-3661593</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
<b>189 MAIN STREET, 5TH FLOOR</b>		<b>1</b> <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code <b>ONEONTA, NEW YORK 13820</b>		7 Date of issue (MM/DD/YYYY) <b>03/27/2017</b>
8 Name of issue <b>Tax-Exempt Multi-Mode Variable Rate Revenue Bonds</b> <b>(The Springbrook NY, Inc. Project), Series 2017A-C</b>		9 CUSIP number <b>None</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information <b>ELIZABETH HORVATH, COO/CFO</b>		10b Telephone number of officer or other employee shown on 10a <b>607-267-4010</b>

<b>Part II Type of Issue (Enter the issue price.)</b>	<b>Issue Price</b>
<b>11 Exempt facility bond:</b>	
a Airport (sections 142(a)(1) and 142(c))	<b>11a</b>
b Docks and wharves (sections 142(a)(2) and 142(c))	<b>11b</b>
c Water furnishing facilities (sections 142(a)(4) and 142(e))	<b>11c</b>
d Sewage facilities (section 142(a)(5))	<b>11d</b>
e Solid waste disposal facilities (section 142(a)(6))	<b>11e</b>
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	<b>11f</b>
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	<b>11g</b>
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	<b>11h</b>
Facility type	
1986 Act section	
i Qualified enterprise zone facility bonds (section 1394) (see instructions)	<b>11i</b>
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	<b>11j</b>
k District of Columbia Enterprise Zone facility bonds (section 1400A)	<b>11k</b>
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	<b>11l</b>
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	<b>11m</b>
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	<b>11n</b>
o Other (see instructions)	
p Qualified New York Liberty Zone bonds (section 1400L(d))	<b>11p</b>
q Other (see instructions)	<b>11q</b>
<b>12a</b> Qualified mortgage bond (section 143(a))	<b>12a</b>
b Other (see instructions)	<b>12b</b>
<b>13</b> Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	<b>13</b>
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
<b>14</b> Qualified small issue bond (section 144(a)) (see instructions) ▶	<b>14</b>
Check the box for \$10 million small issue exemption <input type="checkbox"/>	
<b>15</b> Qualified student loan bond (section 144(b))	<b>15</b>
<b>16</b> Qualified redevelopment bond (section 144(c))	<b>16</b>
<b>17</b> Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	<b>17</b>
<b>18</b> Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	<b>18</b> 10,500,000
Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input checked="" type="checkbox"/>	
<b>19</b> Nongovernmental output property bond (treated as private activity bond) (section 141(d))	<b>19</b>
<b>20a</b> Other (see instructions)	
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	<b>20b</b>
c Other. Describe (see instructions) ▶	<b>20c</b>

**Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2044	\$ 10,500,000	\$ 10,500,000	15.7721 years	VR%

**Part IV Uses of Proceeds of Issue (including underwriters' discount)**

		Amount
22	Proceeds used for accrued interest	0
23	Issue price of entire issue (enter amount from line 21, column (b))	10,500,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 210,000
25	Proceeds used for credit enhancement	25 0
26	Proceeds allocated to reasonably required reserve or replacement fund	26 0
27	Proceeds used to currently refund prior issue (complete Part VI)	27 0
28	Proceeds used to advance refund prior issue (complete Part VI)	28 0
29	Add lines 24 through 28	29 210,000.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 10,290,000.00

**Part V Description of Property Financed by Nonrefunding Proceeds**

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

	Type of Property Financed by Nonrefunding Proceeds:	Amount
a	Land	31a
b	Buildings and structures	31b 9,000,000
c	Equipment with recovery period of more than 5 years	31c
d	Equipment with recovery period of 5 years or less	31d 500,000
e	Other. Describe (see instructions) Capitalized Interest; Contingency; Title Insurance	31e 790,000

**32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.**

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	624100	\$ 10,290,000	c		\$
b		\$	d		\$

**Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)**

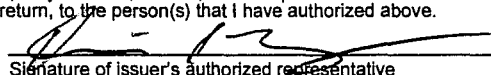
33	Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A years
34	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
35	Enter the last date on which the refunded bonds will be called	
36	Enter the date(s) the refunded bonds were issued	

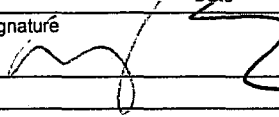
**Part VII Miscellaneous**

- 37 Name of governmental unit(s) approving issue (see the instructions) ▶ Public Hearing: May 10, 2016 and Public Approval: Otsego County Board of Representatives - June 1, 2016
- 38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III). ▶
- 39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶
- 40a Check the box if you have identified a hedge and enter the following information ▶
- b Name of hedge provider \_\_\_\_\_
- c Type of hedge ▶ \_\_\_\_\_
- d Term of hedge ▶ \_\_\_\_\_
- 41 Check the box if the hedge is superintegrated ▶
- 42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) ▶ \_\_\_\_\_
- b Enter the final maturity date of the GIC ▶ \_\_\_\_\_
- c Enter the name of the GIC provider ▶ \_\_\_\_\_
- 43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions) ▶
- 44 Check the box if the issuer has established written procedures to monitor the requirements of section 148 ▶
- 45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures ▶ \_\_\_\_\_
- b Enter the date the official intent was adopted ▶ \_\_\_\_\_
- 46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user ▶
- Name ▶ \_\_\_\_\_ EIN \_\_\_\_\_

<b>Part VIII Volume Caps</b>	Amount
<b>47</b> Amount of state volume cap allocated to the issuer. <b>Attach copy of state certification</b> . . . . .	<b>47</b>
<b>48</b> Amount of issue subject to the unified state volume cap . . . . .	<b>48</b>
<b>49</b> Amount of issue not subject to the unified state volume cap or other volume limitations:	<b>49</b> 10,500,000
<b>a</b> Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities . . . . .	<b>49a</b>
<b>b</b> Under a carryforward election. Attach a copy of Form 8328 to this return . . . . .	<b>49b</b>
<b>c</b> Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶ _____	<b>49c</b>
<b>d</b> Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	<b>49d</b>
<b>50a</b> Amount of issue of qualified veterans' mortgage bonds . . . . .	<b>50a</b>
<b>b</b> Enter the state limit on qualified veterans' mortgage bonds . . . . .	<b>50b</b>
<b>51a</b> Amount of section 1394(f) volume cap allocated to issuer. <b>Attach copy of local government certification</b>	<b>51a</b>
<b>b</b> Name of empowerment zone ▶ _____	<b>51a</b>
<b>52</b> Amount of section 142(k)(5) volume cap allocated to issuer. <b>Attach copy of state certification</b>	<b>52</b>

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.


3/27/2017  
 Signature of issuer's authorized representative Date (Vice) Chairman  
Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	A. Joseph Scott, III		3/27/17		PO1446984
	Firm's name ▶ Hodgson Russ LLP	Firm's EIN ▶ 16-0708550			
	Firm's address ▶ 677 Broadway, Suite 301, Albany, NY 12207	Phone no. 518.465.2333			



**SCHEDULE TO FORM 8038  
INFORMATION RETURN FOR TAX-EXEMPT PRIVATE  
ACTIVITY BONDS**

**Line 18 Information:**

1. Name of 501(c)(3) Organization:

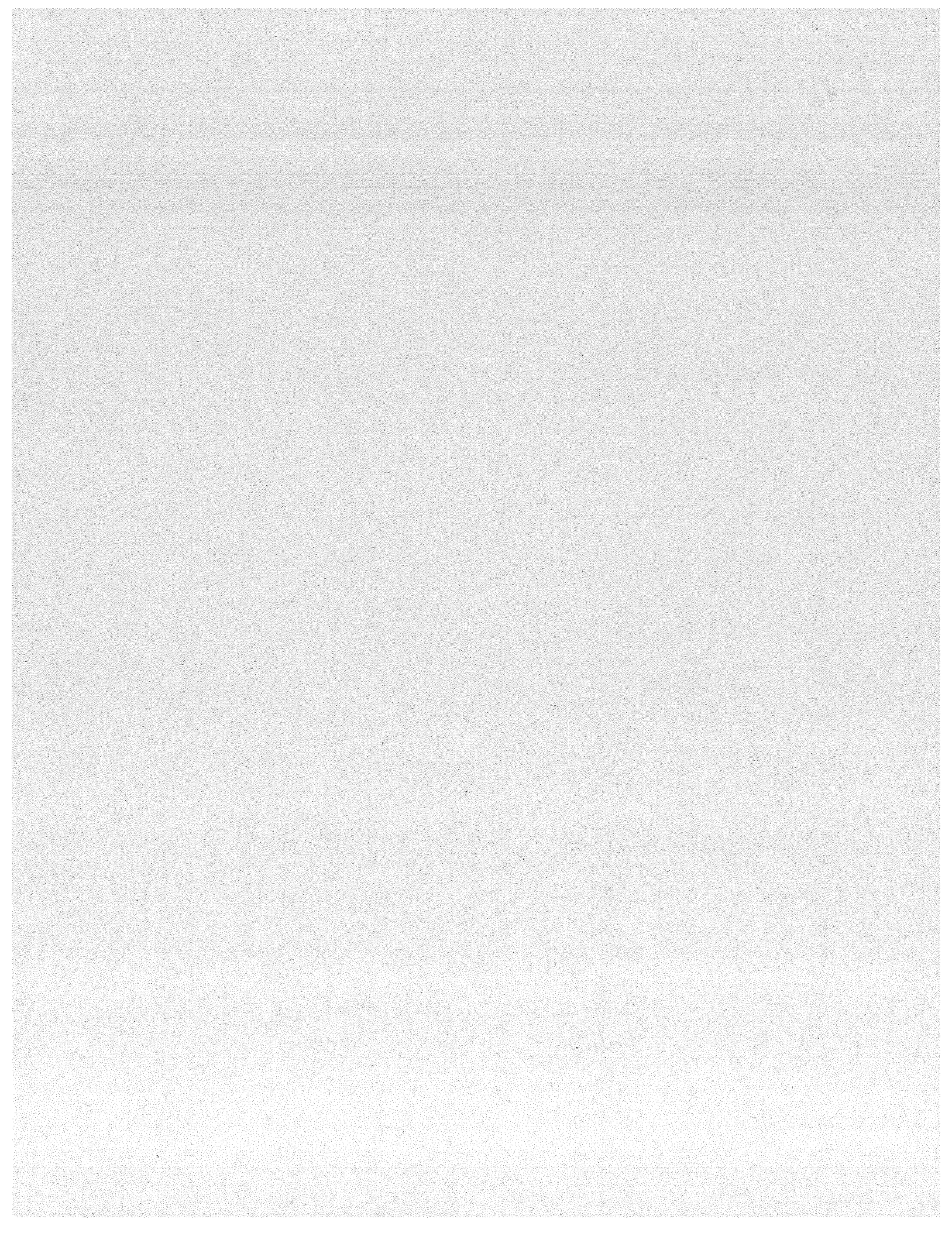
Springbrook NY, Inc.

2. Employer Identification Number of 501(c)(3) Organization:

15-0539129

3. The amount of this issue of bonds benefiting the organization:

\$10,500,000



CLOSING ITEM NO.: B-6

AFFIDAVIT OF MAILING  
OF IRS FORM 8038


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

The undersigned, being duly sworn, hereby states:


that on May 15, 2017, I mailed via Federal Express Priority Overnight (**Tracking No.: 7791 2857 8959**), a fully-executed original IRS Form 8038 (Information Return for Tax-Exempt Governmental Obligations) in connection with the (a) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000; (b) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000; and (c) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,00 (the "Bonds") issued by Otsego County Capital Resource Corporation on March 27, 2017 to the following:

Internal Revenue Service  
1160 W. 1200 South Street  
Ogden, Utah 84201-0011

In witness thereof, I have hereunto set my hand this 15<sup>th</sup> day of May, 2017.

  
\_\_\_\_\_  
Julie Czerpak

Sworn to before me this 15<sup>th</sup> day  
of May, 2017.

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

Bonnie L. DeFreest  
Notary Public, State of New York  
Qualified in Schenectady County  
No. 01DE5076434  
Commission Expires April 21, 2019

A. Joseph Scott, III  
Partner  
ascott@hodgsonruss.com

May 15, 2017

**VIA FEDERAL EXPRESS – Tracking No.: 7791 2857 8959**

Internal Revenue Service Center  
1160 W. 1200 South Street  
Ogden, Utah 84201-0011

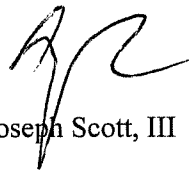
Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Dear Sir/Madam:

Enclosed please find an executed form 8038 Information Return in connection with the above-referenced matter.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Sincerely yours,



A. Joseph Scott, III

Enclosure

## Brown, Nicole

---

**From:** TrackingUpdates@fedex.com  
**Sent:** Friday, May 12, 2017 12:01 PM  
**To:** Brown, Nicole  
**Subject:** FedEx Shipment 779128578959 Notification

This shipment is scheduled to be sent on  
**05/15/2017.**

See "Preparing for Delivery" for helpful tips

Tracking # 779128578959

Anticipated ship date:  
Mon, 5/15/2017

A. Joseph Scott, III, Esq.  
Hodgson Russ LLP  
Albany, NY 12207  
US



Initiated

Scheduled delivery:  
Tue, 5/16/2017 by  
10:30 am

Internal Revenue Service  
1160 W. 1200 South Street  
OGDEN, UT 84201  
US

**FedEx**<sup>®</sup>

### Shipment Facts

**Tracking number:** 779128578959  
**Invoice number:** 0320  
**Purchase order number:** 12055.8/12052.38565.0  
**Reference:** 31991.6/44543.0/31907.0  
**Service type:** FedEx Priority Overnight  
**Packaging type:** FedEx Envelope  
**Number of pieces:** 1  
**Weight:** 0.50 lb.  
**Special handling/Services:** Deliver Weekday

### Preparing for Delivery

To help ensure successful delivery of your shipment, please review the below.

Won't be in?

**Brown, Nicole**

**From:** TrackingUpdates@fedex.com  
**Sent:** Tuesday, May 16, 2017 11:53 AM  
**To:** Brown, Nicole  
**Subject:** FedEx Shipment 779128578959 Delivered

## Your package has been delivered

Tracking # 779128578959

Ship date:  
**Mon, 5/15/2017**

Delivery date:  
**Tue, 5/16/2017 9:47 am**

A. Joseph Scott, III, Esq.  
Hodgson Russ LLP  
Albany, NY 12207  
US



Delivered


Internal Revenue Service  
1160 W. 1200 South Street  
OGDEN, UT 84201  
US

**FedEx**<sup>®</sup>

### Shipment Facts

Our records indicate that the following package has been delivered.

**Tracking number:** 779128578959  
**Status:** Delivered: 05/16/2017 09:47 AM  
Signed for By: B.IZATT  
**Invoice number:** 0320  
**Purchase order number:** 12055.8/12052.38565.0  
**Reference:** 31991.6/44543.0/31907.0  
**Signed for by:** B.IZATT  
**Delivery location:** OGDEN, UT  
**Delivered to:** Shipping/Receiving  
**Service type:** FedEx Priority Overnight  
**Packaging type:** FedEx Envelope  
**Number of pieces:** 1  
**Weight:** 0.50 lb.  
**Special handling/Services:** Deliver Weekday  
**Standard transit:** 5/16/2017 by 10:30 am

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:52 AM CDT on 05/16/2017.

**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

<b>Part I Reporting Authority</b>		Check if Amended Return <input type="checkbox"/>
1 Issuer's name OTSEGO COUNTY CAPITAL RESOURCE CORPORATION		2 Issuer's employer identification number 26-3661593
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 189 MAIN STREET, 5TH FLOOR	Room/suite	5 Report number (For IRS Use Only) <input type="checkbox"/> 1 <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code ONEONTA, NEW YORK 13820		7 Date of issue (MM/DD/YYYY) 03/27/2017
8 Name of issue Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A-C		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information ELIZABETH HORVATH, COO/CFO		10b Telephone number of officer or other employee shown on 10a 607-267-4010

Part II Type of Issue (Enter the issue price.)	Issue Price
<b>11 Exempt facility bond:</b>	
a Airport (sections 142(a)(1) and 142(c))	11a
b Docks and wharves (sections 142(a)(2) and 142(c))	11b
c Water furnishing facilities (sections 142(a)(4) and 142(e))	11c
d Sewage facilities (section 142(a)(5))	11d
e Solid waste disposal facilities (section 142(a)(6))	11e
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h
Facility type _____	
1986 Act section _____	
i Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j
k District of Columbia Enterprise Zone facility bonds (section 1400A)	11k
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n
o Other (see instructions) _____	
p Qualified New York Liberty Zone bonds (section 1400L(d))	11p
q Other (see instructions) _____	11q
<b>12a Qualified mortgage bond (section 143(a))</b>	<b>12a</b>
b Other (see instructions) _____	12b
<b>13 Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶</b>	<b>13</b>
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
<b>14 Qualified small issue bond (section 144(a)) (see instructions) ▶</b>	<b>14</b>
Check the box for \$10 million small issue exemption <input type="checkbox"/>	
15 Qualified student loan bond (section 144(b))	15
16 Qualified redevelopment bond (section 144(c))	16
17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17
18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18
Check box if 95% or more of net proceeds will be used <b>only</b> for capital expenditures <input checked="" type="checkbox"/>	10,500,000
19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19
<b>20a Other (see instructions) _____</b>	
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	20b
c Other. Describe (see instructions) ▶ _____	20c

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

Table with 5 columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield. Row 21: 08/01/2044, \$ 10,500,000, \$ 10,500,000, 15.7721 years, VR%

Part IV Uses of Proceeds of Issue (including underwriters' discount)

Table with 2 columns: Description, Amount. Rows 22-30 detailing proceeds used for accrued interest, issue price, bond issuance costs, credit enhancement, reserve, refund, and nonrefunding proceeds.

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

Table with 2 columns: Type of Property Financed by Nonrefunding Proceeds, Amount. Rows 31a-e: Land, Buildings and structures, Equipment with recovery period of more than 5 years, Equipment with recovery period of 5 years or less, Other.

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

Table with 4 columns: NAICS Code, Amount of nonrefunding proceeds, NAICS Code, Amount of nonrefunding proceeds. Rows a, b.

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

Table with 2 columns: Description, Amount. Rows 33-36: Remaining weighted average maturity of currently refunded, advance refunded, last date called, date issued.

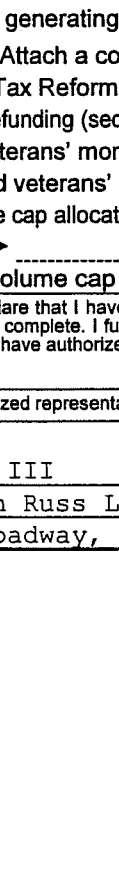
Part VII Miscellaneous

- 37 Name of governmental unit(s) approving issue... Public Hearing: May 10, 2016 and Public Approval: Otsego County Board of Representatives - June 1, 2016
38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III)
39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate
40a Check the box if you have identified a hedge and enter the following information
b Name of hedge provider
c Type of hedge
d Term of hedge
41 Check the box if the hedge is superintegrated
42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC)
b Enter the final maturity date of the GIC
c Enter the name of the GIC provider
43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated...
44 Check the box if the issuer has established written procedures to monitor the requirements of section 148
45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures
b Enter the date the official intent was adopted
46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user



<b>Part VIII</b>	<b>Volume Caps</b>	<b>Amount</b>
<b>47</b>	Amount of state volume cap allocated to the issuer. <b>Attach copy of state certification</b> . . . . .	<b>47</b> 0
<b>48</b>	Amount of issue subject to the unified state volume cap . . . . .	<b>48</b> 0
<b>49</b>	Amount of issue not subject to the unified state volume cap or other volume limitations:	<b>49</b>
<b>a</b>	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities . . . . .	<b>49a</b>
<b>b</b>	Under a carryforward election. Attach a copy of Form 8328 to this return . . . . .	<b>49b</b>
<b>c</b>	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ►	<b>49c</b>
<b>d</b>	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	<b>49d</b>
<b>50a</b>	Amount of issue of qualified veterans' mortgage bonds . . . . .	<b>50a</b>
<b>b</b>	Enter the state limit on qualified veterans' mortgage bonds . . . . .	<b>50b</b>
<b>51a</b>	Amount of section 1394(f) volume cap allocated to issuer. <b>Attach copy of local government certification</b>	<b>51a</b>
<b>b</b>	Name of empowerment zone ►	
<b>52</b>	Amount of section 142(k)(5) volume cap allocated to issuer. <b>Attach copy of state certification</b>	<b>52</b>

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

	Date	(Vice) Chairman
Signature of issuer's authorized representative		Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	Firm's name ► Hodgson Russ LLP			Firm's EIN ► 16-0708550	PO1446984
	Firm's address ► 677 Broadway, Suite 301, Albany, NY 12207			Phone no. 518.465.2333	

**SCHEDULE TO FORM 8038  
INFORMATION RETURN FOR TAX-EXEMPT PRIVATE  
ACTIVITY BONDS**

**Line 18 Information:**

1. Name of 501(c)(3) Organization:  
Springbrook NY, Inc.
2. Employer Identification Number of 501(c)(3) Organization:  
15-0539129
3. The amount of this issue of bonds benefiting the organization:  
\$10,500,000

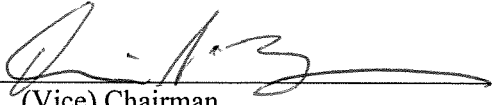
REQUEST AND AUTHORIZATION OF  
COUNTY OF OTSEGO CAPITAL RESOURCE CORPORATION  
TO THE TRUSTEE  
PURSUANT TO THE INDENTURE  
TO AUTHENTICATE AND DELIVER THE SERIES 2017 BONDS

The undersigned, (Vice) Chairman of County of Otsego Capital Resource Corporation (the “Issuer”), pursuant to Section 3.01 of a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”), and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture”, and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee, for the holders of the Issuer’s (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”), does hereby, on behalf of the Issuer:

1. Request and authorize the Trustee to authenticate the Series 2017 Bonds.
2. Request and authorize the Trustee to deliver the Series 2017 Bonds, in substantially the form provided in the Indenture on behalf of the Issuer, to Citizens Bank N.A., as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp., or its designee, upon payment of the aggregate purchase price of the Series 2017 Bonds in the amount of \$10,500,000 (the “Purchase Price”).
3. Authorize and direct the Trustee, upon receipt of the Purchase Price, to deposit such funds in accordance with the provisions of the Indenture. Such moneys so deposited shall be used and applied in accordance with the provisions of the Indenture.

IN WITNESS WHEREOF, I have hereunto set my hand this 27 day of March, 2017.

COUNTY OF OTSEGO CAPITAL  
RESOURCE CORPORATION

BY:   
(Vice) Chairman

BOND COUNSEL DISCLOSURE CERTIFICATE

Hodgson Russ LLP (the "Firm") hereby certifies as follows:

SECTION 1. DESCRIPTION OF THE TRANSACTION. (A) General. The transaction which is the subject of this Disclosure Certificate (the "Transaction") is the following: The Firm is acting as bond counsel ("Bond Counsel") in connection with the issuance by Otsego County Capital Resource Corporation (the "Issuer") of its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds").

(B) Issuer. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (1) authorizing the incorporation of the Issuer under the Enabling Act and (2) appointing the initial members of the board of directors of the Issuer. On October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County.

(C) The Project. The Series 2017 Bonds are being issued by the Issuer for the purpose of funding a portion of the costs of a project (the "Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a New York not-for-profit corporation, said Project consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Series 2017 Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the "Series 2017 Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2017 Equipment") (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the "Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the "Financial Assistance"); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an

amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement”) by and between the Issuer and the Institution.

(D) Additional Parties. The Series 2017 Bonds are to be issued under a resolution adopted by the members of the board of directors of the Issuer on July 28, 2016 (the “Bond Resolution”), a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”) by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture,” and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee, and a bond purchase and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and between the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and Citizens Bank N.A. (the “Agent”), as administrative agent for the Holder.


(E) Listing of Parties. Based upon the foregoing, the parties to the transaction (the “Parties”) are as follows: the Issuer, the Institution, the Trustee, the Holder and the Agent.

SECTION 2. OTHER REPRESENTATION. Exhibit A attached hereto (A) identifies each Party to the Transaction, (B) identifies each Party which has a client relationship with the Firm, (C) indicates whether the Firm is representing such client in the Transaction, (D) indicates whether such client is separately represented (i.e., has counsel other than the Firm in the Transaction), and (E) indicates whether the Firm has represented such client in matters indirectly related to the Transaction.

SECTION 3. DESCRIPTION OF SERVICES. If Exhibit A indicates that the Firm is providing legal services to any party other than the Issuer, Exhibit B attached hereto contains a description of the nature of the legal services provided by the Firm to all of the Parties (including the Issuer).

IN WITNESS WHEREOF, I have hereunto set my hand as of the 27<sup>th</sup> day of March, 2017.

HODGSON RUSS LLP

BY   
\_\_\_\_\_

A. Joseph Scott, III

**EXHIBIT A**

**PARTIES TO THE TRANSACTION**

<b>PARTY</b>	<b>DOES THE FIRM REPRESENT THIS PARTY IN THE TRANSACTION</b>	<b>DOES THIS PARTY HAVE SEPARATE COUNSEL IN THE TRANSACTION</b>	<b>DOES THE FIRM OTHERWISE REPRESENT THIS PARTY</b>	<b>HAS THE FIRM PROVIDED INDIRECT COUNSEL TO THIS PARTY IN THIS TRANSACTION</b>
Otsego County Capital Resource Corporation	Yes	Yes	Yes	Yes
Springbrook NY, Inc.	No	Yes	No	No
Citizens Bank, N.A.	No	Yes	Yes	No
Citizens Funding Corp.	No	Yes	No	No
Manufacturers and Traders Trust Company	No	Yes	Yes	No



**EXHIBIT B**

**DESCRIPTION OF SERVICES**

**CLIENT**

Otsego County Capital Resource Corporation

**DESCRIPTION OF SERVICES PROVIDED BY THE FIRM**

The Firm represents the Issuer as Bond Counsel to the Issuer. As Bond Counsel on this transaction, the Firm has provided legal services in connection with the following: (1) preparation of all documentation related to the issuance of the Bond by the Issuer; and (2) rendering all legal opinions required to establish that the Bond has been properly issued, and that interest on the Bond is excludable from gross income for federal income purposes.

GENERAL CERTIFICATE

OF

SPRINGBROOK NY, INC.

This certificate is made in connection with the issuance by Otsego County Capital Resource Corporation (the "Issuer") of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds") issued pursuant to a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and among the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), a supplemental trust indenture dated as of July 1, 2012 (the "2012 Supplemental Indenture") by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the "2017 Supplemental Indenture", and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the "Indenture") by and between the Issuer and the Trustee, and in connection therewith the execution by Springbrook NY, Inc. (the "Institution") of the Continuing Covenants Agreement, the Series 2017 Mortgage, the Series 2017 Amendment to Loan Agreement, the Series 2017 Amendment to Pledge and Assignment, the Building Loan Agreement (as defined in the Continuing Covenants Agreement), the Series 2017 Security Agreement, the Environmental Indemnity Agreement (as defined in the Continuing Covenants Agreement), the Assignment of Construction Documents (as defined in the Continuing Covenants Agreement), and the Tax Regulatory Agreement (as each such document is defined in the Indenture) and any other document to be executed by the Institution (collectively, the "Institution Documents") in connection with the issuance by the Issuer of the Series 2017 Bonds in order to assist in providing financing with which the Issuer can undertake a project (the "Project") consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Series 2017 Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the "Series 2017 Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2017 Equipment") (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the "Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from mortgage recording taxes.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture except that, for purposes of this certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE OF THE INSTITUTION HEREBY CERTIFIES THAT:

1. I am duly authorized to execute and deliver this certificate in the name and on behalf of the Institution.

2. The Institution (A) has been duly formed, is validly existing and is in good standing as a not-for-profit corporation under the laws of the State of New York with full legal power and authority to own its Properties, conduct its business and execute, deliver and perform its obligations under the Institution Documents and (B) has taken all actions and obtained all approvals required in connection therewith.

3. Attached hereto as Exhibit A is a true, correct and complete copy of the Certificate of Incorporation of the Institution, together with all amendments thereto, certified by the New York State Department of State (the "Certificate"), as the same is in full force and effect on and as of the date of this certificate.

4. Attached hereto as Exhibit B is a true, correct and complete copy of the By-Laws of the Institution, together with all amendments thereto (the By-Laws, together with all amendments thereto, being collectively hereinafter referred to as the "By-Laws"), as the same are in full force and effect on and as of the date of this certificate.

5. Attached hereto as Exhibit C is a true, correct and complete copy of a certificate of good standing relating to the Institution from the New York State Department of State.

6. Attached hereto as Exhibit D is a true, correct and complete copy of the 501(c)(3) Determination Letter from the Internal Revenue Service relating to the Institution, together with all amendments thereto.

7. Attached hereto as Exhibit E are true, correct and complete copies of the resolution of the Board of Directors of the Institution (the "Institution Resolution") approving and authorizing execution and delivery by the Institution of the Institution Documents. Such Institution Resolution was duly adopted by the Board of Directors of the Institution, has not been amended or modified since its adoption and is in full force and effect as of the date of this Certificate in accordance with its terms.

8. Attached hereto as Exhibit F is a list of all material pending litigation relating to the Institution. Except as set forth in Exhibit F, there is no action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of such officer, threatened against, or affecting, the Institution, wherein an unfavorable decision, ruling or finding would in any way (A) question the corporate existence of the Institution or the right of any of its officers to their respective offices, (B) prohibit, restrain or enjoin the undertaking of the Project or the issuance, sale or delivery of the Series 2017 Bonds, (C) question or adversely affect the validity or enforceability of any of the Institution Documents or the transactions contemplated therein or in the Series 2017 Bonds, (D) result in damages in excess of the applicable insurance coverage or self insurance reserves of the Institution, (E) materially adversely affect the business, property or financial condition of the

Institution, or (F) cause interest on the Series 2017 Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

9. The undersigned has been duly designated to act as the “Authorized Representative” of the Institution pursuant to and in accordance with the provisions of the Loan Agreement.

10. There are no Liens against or overdue taxes, assessments, fees or other governmental charges payable by the Institution to the United States, the State of New York, or to our knowledge, to any other state or municipality in the United States.

11. The execution, delivery and performance of all agreements, certificates and documents required to be executed, delivered and performed by the Institution in order to carry out, give effect to and consummate the transactions contemplated by the Institution Documents have been duly authorized by all necessary action of the Institution. The Institution Documents are in full force and effect on and as of the date hereof, and no authority for the execution, delivery or performance of the Institution Documents has been repealed, revoked or rescinded.

12. The execution, delivery and performance of the Institution Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each by the Institution do not and will not (A) violate the Institution’s Certificate or the By-Laws or require consent under (which has not heretofore been received) or result in a breach of or default under any credit agreement, purchase agreement, indenture, mortgage, deed of trust, commitment, guaranty, lease or other agreement or instrument to which the Institution is a party or by which the Institution may be bound or affected, or (B) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Institution or any of the Property of the Institution.

13. The Institution has duly authorized the taking of and has taken any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Institution Documents.

14. No Event of Default specified in any of the Institution Documents has occurred and no event which with notice or lapse of time or both would become such an Event of Default has occurred and is continuing.

15. Each of the representations and warranties of the Institution in the Institution Documents is true, accurate and complete on and as of the date of this certificate with the same force and effect as though such representations and warranties were made on and as of the date hereof.

16. The Institution Documents have been each duly executed, acknowledged, where appropriate, and delivered on behalf of the Institution by an authorized officer of the Institution; the signature of said officer thereon is the genuine signature of said officer.

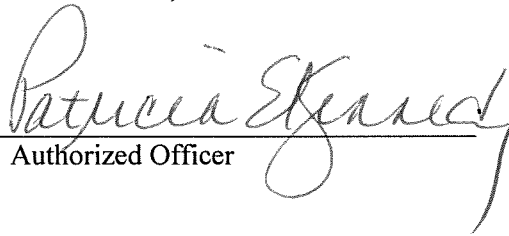
17. The Institution is not contemplating instituting bankruptcy, insolvency or any similar proceedings against itself.

18. The Institution has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied by the terms of the Institution Documents at or prior to the Closing Date.

19. As of the Closing Date there has been no material adverse change in the business, condition, Property or prospects (financial or otherwise) of the Institution.

IN WITNESS WHEREOF, the undersigned has hereunder set his signature this 27<sup>th</sup> day of March, 2017.

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

The undersigned, Sarah Lewis Belcher, counsel to the Institution, hereby certifies that the signature of the officer of the Institution subscribed to and contained in the foregoing General Certificate of the Institution is true and genuine.

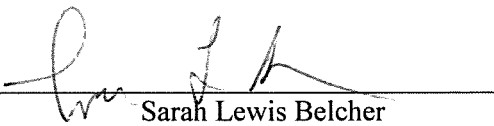
  
Sarah Lewis Belcher

EXHIBIT A  
CERTIFICATE OF INCORPORATION  
---SEE ATTACHED---

F06011700/004

CERTIFICATE OF AMENDMENT

OF

UPSTATE HOME FOR CHILDREN, INC.

FILED

2006 JAN 17 PM 3:19

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED JAN 17 2006

TAX \$ BY: fmb

Ot sego

Filed By:

Liscock & Barclay, LLP  
One Park Place 300 South State Street  
Yonkers NY 13221

RECEIVED  
2006 JAN 17 PM 2:41  
D.C. -08  
AWDOWN

4  
 ROUTINE  
 24 HOUR

SAME DAY  
 2 HOUR



DC-08

CERTIFICATE OF AMENDMENT

F06011700004

OF THE

CERTIFICATE OF INCORPORATION

OF

UPSTATE HOME FOR CHILDREN, INC.

Under Section 803 of the Not-for-Profit Corporation Law

WE, THE UNDERSIGNED, being, respectively, the President and Secretary of Upstate Home For Children, Inc. (the "Corporation"), hereby certify as follows:

1. The name of the Corporation is "Upstate Home for Children, Inc.", and the name under which it was formed was "The Upstate Baptist Home for Children".

2. The original Certificate of Incorporation of the Corporation was filed with the Department of State on June 11, 1924 and the law under which the Corporation was formed is the Membership Corporations Law of the State of New York.

3. The Corporation is a corporation as defined in Subparagraph (a) (5) of Section 102 of the Not-for-Profit Corporation Law and is, and shall remain, a Type B corporation under Section 201 of said law.

4. The Certificate of Incorporation is hereby amended as authorized by Section 802 of the Not-for-Profit Corporation Law as follows:

Paragraph II of the Certificate of Incorporation, which sets forth the name of the Corporation, shall be amended to read as follows:

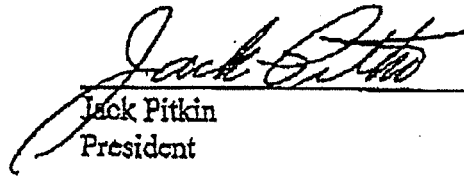
1. The name of the Corporation is "springbrook ny, Inc."

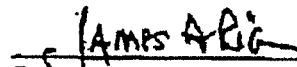
5. The above amendment to the Certificate of Incorporation was authorized by a majority of the Members of the Corporation at a meeting of the Members.

6. The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is:

2705 State Highway 28  
Oneonta, New York 13820-9753  
Attn: Executive Director

IN WITNESS WHEREOF, the undersigned have subscribed this Certificate of Amendment of the Certificate of Incorporation and affirm the statements herein as true under the penalties of perjury this 7<sup>th</sup> day of September, 2005.

  
\_\_\_\_\_  
Jack Pitkin  
President

  
\_\_\_\_\_  
James A. Rice  
Secretary

State of New York }  
Department of State } ss:

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

January 24, 2006

*Witness my hand and seal of the Department of State on*



A handwritten signature in black ink, appearing to read "R. H. Co.", is written over the seal area.

*Special Deputy Secretary of State*

DC-08

200601260 23

New York State  
Department of State  
Division of Corporations, State Records & UCC  
41 State Street  
Albany, NY 12231  
www.dos.state.ny.us

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF ASSUMED NAME  
OF

Upstate Home For Children, Inc.  
*(Insert Name of Entity)*

Under Section 130 of the General Business Law

FIRST: The name of the entity is: Upstate Home For Children, Inc.

SECOND: *Foreign entities only.* If applicable, the fictitious name the entity agreed to use in New York State is: \_\_\_\_\_

THIRD: If the name of the entity is different on the last Certificate of Assumed Name or Certificate of Amendment of Certificate of Assumed Name, the previous name of the entity is: \_\_\_\_\_

FOURTH: The entity was formed or authorized under (indicate law):

- \_\_\_\_\_ Business Corporation Law
- \_\_\_\_\_ Education Law
- \_\_\_\_\_ Insurance Law
- \_\_\_\_\_ Limited Liability Company Law
- ... x ... Not-for-Profit Corporation Law
- \_\_\_\_\_ Revised Limited Partnership Act
- \_\_\_\_\_ Other (specify law) \_\_\_\_\_

FIFTH: The present assumed name is Springbrook

SIXTH: The date the original Certificate of Assumed Name was filed is: September 23, 2005

SEVENTH: The date, if applicable, the last Certificate of Amendment of Certificate of Assumed Name was filed is: \_\_\_\_\_

EIGHTH: The following change(s) are being made (check the appropriate change(s)):

x Entity Name:  
The new name of the entity is: Springbrook NY, Inc.

\_\_\_\_\_ Assumed Name:  
The new assumed name is: \_\_\_\_\_

\_\_\_\_\_ Principal Place of Business:  
The principal place of business is changed to (include the number and street, city, state and zip code): \_\_\_\_\_

200601260<sup>P03</sup> 23

County(ies), Added or Deleted, in Which Business Will be Conducted Under the

Assumed Name:

County(ies) Added:

County(ies) Deleted:

Address(es) of Specific Business Location(s), Added or Deleted:

Business Location(s) Added (include the number and street, city, state and zip code):

Business Location(s) Deleted (include the number and street, city, state and zip code):

FILED

JAN 26 AM 10:42

INSTRUCTIONS FOR SIGNING: If a corporation, by an officer; if a limited partnership, by a general partner; if a limited liability company, by a member or manager; or by an attorney-in-fact or authorized person for such corporation, limited partnership or limited liability company.

Patricia E. Kennedy - Executive Director

Name and Title

Signature

*Patricia Kennedy*

RECEIVED

2006 JAN 25 PM 2:01

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF ASSUMED NAME OF

Upstate Home For Children, Inc.

(Insert Name of Entity)

DC-08

Fee ATTACHED

Under Section 130 of the General Business Law John Kalapurovski, Jr., Esq.

Filer's Name:

Address: P.O. Box 4878

City, State and Zip Code: Syracuse, New York 13221-4878

Note: This form was prepared by the New York State Department of State. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores. The Department of State recommends that all documents be prepared under the guidance of an attorney. The certificate must be submitted with a \$25 fee. The Department of State also collects the following, additional, county clerk fees for each county affected by the amendment in which a corporation does or transacts business: \$100 for each county within New York City (Bronx, Kings, New York, Queens and Richmond) and \$25 for each county outside New York City. All checks over \$500 must be certified.

For Office Use Only

CH 2290-32  
TH 2005923013  
otse to 9/25/05  
*[Signature]*

STATE OF NEW YORK DEPARTMENT OF STATE FILED JAN 26 2006 153993 *[Signature]*

State of New York }  
Department of State } ss:

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **February 07, 2006**



A handwritten signature in black ink, appearing to be "R. H. Ho", is written over the seal area.

*Special Deputy Secretary of State*

CERTIFICATE OF AMENDMENT OF (9/20/86)  
THE CERTIFICATE OF INCORPORATION OF  
THE UPSTATE HOME FOR CHILDREN, INC.

PURSUANT TO S803 OF THE  
NOT-FOR-PROFIT LAW

The undersigned, being the President and Secretary of THE UPSTATE HOME FOR CHILDREN, INC., hereby certify:

1. The name of the Corporation is THE UPSTATE HOME FOR CHILDREN, INC. It was formed under the name of the Upstate Baptist Home for Children and was changed by an amendment to the Certificate of Incorporation dated August 23, 1971.

2. The Certificate of Incorporation of said UPSTATE HOME FOR CHILDREN, INC. was filed in the Office of the Department of State on the 11th day of June, 1924. Said Corporation was formed under the Membership Corporation Law of the State of New York.

3. The particular objects for which the above-named Corporation was organized as amended on August 23, 1971 are as follows:

- A. To establish, conduct and maintain a church-related program of residential care, treatment, training and rehabilitation for ambulatory mentally retarded persons from age 7 through adulthood.
- B. To provide foster home care service for retarded persons able to manage in a foster home setting.
- C. To provide corollary services to families of mentally retarded persons.
- D. To conduct conferences and community education programs on mental retardation.
- E. To provide consultation in initiating community services in the community such as pre-school classes, special classes in Christian education, church camps for retarded children, day care centers, recreation programs, and sheltered workshops for retarded young adults.

4. The alteration proposed and intended to be effective by the execution and filing of this certificate consists of an extension of the powers of the Corporation so as to include the following, and to make the following changes, to wit;

- A. To amend paragraph A relating to the establishment of the conduct and maintenance of a church-related program of residential care, treatment, training, a rehabilitation for mentally retarded persons from age 7 through adulthood, to read: "To establish, conduct and maintain a church-related program of residential care, treatment, training and rehabilitation for mentally retarded persons from age 5 through adulthood."
- B. To add the following purposes:
  - "F. To acquire, mortgage, operate and maintain real property for the purpose of housing and caring for mentally retarded adults in community type residences."
  - "G. To operate community residences for mentally retarded persons whose ages are not less than twenty-one."
- 6. That under S201 of the Not-for-Profit Corporation Law, this Corporation is defined as a type B corporation.
- 7. That the President of the UPSTATE HOME FOR CHILDREN, INC., the Secretary thereof were duly authorized to execute the filing of the Certificate of Amendment making said changes by resolution of the members of the Board at a meeting of said Board dated

IN WITNESS WHEREOF, we have make, signed and acknowledged this certificate, this 6th day of February 1986.

Richard C. Hughes, President  
Melvin H. Dorr, Secretary



945996



The University of the State of New York

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

Consent is hereby given to the change of name of THE
UPSTATE BAPTIST HOME FOR CHILDREN to UPSTATE HOME FOR CHILDREN,
INC. and the change of purposes and powers contained in the
certificate of incorporation of said corporation as set forth
in the annexed certificate of amendment made under and pursuant
to the provisions of Section 804 of the Not-For-Profit Corporation
Law.

This approval for filing, however, shall not be construed
as approval by the Board of Regents, the Commissioner of Educa-
tion or the State Education Department of the purposes or objects
of such corporation, nor shall it be construed as giving the
officers or agents of such corporation the right to use the name
of the Board of Regents, the Commissioner of Education, the
University of the State of New York or the State Education Depart-
ment in its publications or advertising matter.

IN WITNESS WHEREOF this instrument is
executed and the seal of the State
Education Department is affixed
this 10th day of November, 1971.

Ewald B. Nyquist
Commissioner of Education

By: [Signature]

Robert D. Stone
Counsel and
Deputy Commissioner
for Legal Affairs



SUPREME COURT

OTSEGO COUNTY

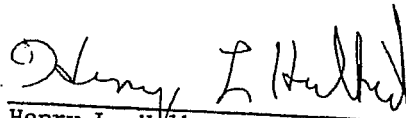
STATE OF NEW YORK

-----  
In the Matter of the Application of :  
Upstate Baptist Home for Children :  
Certificate of Amendment of Certifi- :  
cate of Incorporation of the Upstate :  
Baptist Home for Children :  
-----

NOTICE

PLEASE TAKE NOTICE that upon the annexed Certificate of THE UPSTATE BAPTIST HOME FOR CHILDREN, verified the 23rd and 27th day of August 1971, an application will be made at a special term of the Supreme Court appointed to be held at Supreme Court Chambers at Oneonta, New York, on the 22nd day of September, 1971, at the opening of court on that day or as soon thereafter as counsel can be heard for approval of the court to allow THE UPSTATE BAPTIST HOME FOR CHILDREN, to file its Certificate of Amendment of Certificate of Incorporation of the Upstate Baptist Home for Children with the Secretary of State of the State of New York; and for such further relief as may be just and proper.

Dated: September 8, 1971



Henry L. Hulbert  
Attorney for Petitioner  
6 Ford Avenue  
Oneonta, New York 13820

To: Louis J. Lefkowitz  
Attorney General  
State of New York  
Department of Law

HENRY L. HULBERT  
ATTORNEY AT LAW  
ONEONTA, NEW YORK

2

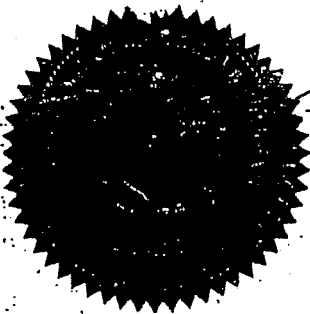


# State Board of Social Welfare

Albany

Know all Men by These Presents:

*At a meeting of the State Board of Social Welfare, held on the eighteenth day of May 1971, due inquiry and investigation having been made,* the Board approved the proposed certificate of amendment of the certificate of incorporation of THE UPSTATE BAPTIST HOME FOR CHILDREN pursuant to Section 804 of the Not-for-Profit Corporation Law of the State of New York.



*In Witness Whereof, the State Board of Social Welfare has caused these presents to be signed in accordance with the provisions of the statutes and its by-laws, and the official seal of the Board and of the Department to be hereunto affixed, this nineteenth day of May, in the year one thousand nine hundred and seventy-one.*

Secretary

3



STATE OF NEW YORK  
DEPARTMENT OF LAW

ALBANY, N. Y. 12224

LOUIS J. LEFKOWITZ  
ATTORNEY GENERAL

Telephone 474-7206

September 9, 1971

Farrington and Hulbert, Esqs.  
Attorneys at Law  
6 Ford Ave.  
Oneonta, New York 13820

Gentlemen:

Re: UPSTATE BAPTIST HOME FOR CHILDREN  
Certificate of Amendment

Due and timely service of the Notice of Application for the approval of the proposed Certificate of Amendment of the Certificate of Incorporation of the above organization is hereby admitted.

The Attorney General does not intend to appear at the time of application.

Very truly yours,

LOUIS J. LEFKOWITZ  
Attorney General

By:

*Joseph R. Castellani*  
JOSEPH R. CASTELLANI  
Assistant Attorney General

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CERTIFICATE OF AMENDMENT OF  
THE CERTIFICATE OF INCORPORATION  
OF THE UPSTATE BAPTIST HOME FOR  
CHILDREN PURSUANT TO SECTION 803  
OF THE NOT-FOR-PROFIT CORPORATION  
LAW

We, the undersigned, H. Glen Martin, PRESIDENT, and Beth Rogers, SECRETARY, of The Upstate Baptist Home for Children, a membership corporation duly organized under the Membership Corporations Law of the State of New York, for the purpose of changing the purposes of said corporation, and changing the name of said corporation, pursuant to Section 801 of the Not-for-Profit Corporation Law DO HEREBY MAKE, SIGN and ACKNOWLEDGE this certificate and DO CERTIFY as follows:

1. The name of the corporation is THE UPSTATE BAPTIST HOME FOR CHILDREN.

2. The certificate of incorporation was filed in the office of the Secretary of State of the State of New York, on the 11th day of June, 1924.

3. That the corporation is a corporation as defined in Section 102 (a) (5) of the Not-for-Profit Corporation Law of the State of New York.

4. That the Upstate Baptist Home for Children is a type B corporation as defined in Section 201 (b) of the Not-for-Profit Corporation Law of the State of New York and after the filing of this certificate will remain a type B corporation.

5. The Post Office Address to which the Secretary of State shall mail a copy of any notice required by law shall be R. D. #1, Oneonta, New York.

6. The certificate of incorporation is amended:

(a) to change the corporate name. Paragraph 1 of the certificate is amended to read: "1. The name of the corporation is Upstate Home for Children, Inc."

(b) to alter and amend the purposes and powers of the corporation. The particular objects for which the above named corporation was organized as amended October 4, 1960 are as follows:

"To establish, conduct, and maintain a home for the care of abandoned, dependent, destitute, or neglected children, without regard to race or creed.

To place out, and board out, children.

To establish and maintain a school for the education of children who are cared for by the corporation who need special help or otherwise are unable to profit from public school instruction."

The alteration proposed and intended to be effective by the execution and filing of this certificate consists of an extension of the powers of the corporation so as to include the following, to wit:

- A. To establish, conduct and maintain a church related program of residential care, treatment, training, and rehabilitation for ambulatory mentally retarded persons from age seven through young adulthood.
- B. To provide foster home care service for retarded persons able to manage in a foster home setting.
- C. To provide corollary services to the families of mentally retarded persons.
- D. To conduct conferences and community education programs on mental retardation.
- E. To provide consultation in initiating community services in communities such as pre-school classes, special classes in Christian education, church camps for retarded children, day care centers, recreation programs, and sheltered workshops for retarded young adults.

7. That the President of The Upstate Baptist Home for Children and the Secretary thereof were duly authorized to execute and file this certificate of amendment changing the purposes and the name of The Upstate Baptist Home for Children by a majority vote of the members of the corporation present at the annual meeting of said corporation September 11, 1968. That said majority vote was numerically more than the number of votes necessary to make up a quorum under the by-laws of the corporation.

IN WITNESS WHEREOF we have made, signed and acknowledged this certificate, this 23rd day of August, 1971

H. Glen Martin  
H. Glen Martin - President

Beth Rogers  
Beth Rogers - Secretary

STATE OF NEW YORK:

ss.:

COUNTY OF OTSEGO :

H. Glen Martin, being duly sworn deposes and says that he is the President of The Upstate Baptist Home for Children, the corporation and one of the persons who signed the foregoing Certificate of Amendment, that he has read the Certificate of Amendment and knows the contents thereof and that the same is true to his own knowledge.

H. Glen Martin  
H. Glen Martin

Sworn to before me this 23<sup>rd</sup>  
day of August 1971

Michelle G. Davis  
Notary Public  
My Commission expires 3/30/72

HENRY L. HULBERT  
ATTORNEY AT LAW  
ONEONTA, NEW YORK

STATE OF NEW YORK:  
SARATOGA:SS.:  
COUNTY OF OTSEGO :

Beth Rogers, being duly sworn deposes and says that she is the Secretary of The Upstate Baptist Home for Children, the corporation, and one of the persons who signed the foregoing Certificate of Amendment, that she has read the Certificate of Amendment and knows the contents thereof and that the same is true to her own knowledge.

Beth Rogers  
Beth Rogers

Sworn to before me this  
27<sup>th</sup> day of August, 1972  
Dominiq Montarell  
Notary Public

DUMINICK MONTARELLO  
Notary Public, State of New York  
Residing in Albany County  
Commission Expires March 30, 1972

HENRY L. HULBERT  
ATTORNEY AT LAW  
ONEONTA, NEW YORK

7

SUPREME COURT

OTSEGO COUNTY

In the Matter of the Application  
for Approval of the Certificate  
of Amendment of the Certificate  
of Incorporation of

THE UPSTATE BAPTIST HOME FOR CHILDREN

a Not-for-Profit Corporation.

I, Joseph P. Molinari, a Justice of the Supreme Court of  
the Sixth Judicial District, State of New York, DO HEREBY APPROVE  
the foregoing Certificate of Amendment of the Certificate of  
Incorporation of THE UPSTATE BAPTIST HOME FOR CHILDREN.

DATED: October 6, 1971

*Joseph P. Molinari*  
Justice of Supreme Court

STATE OF NEW YORK, COUNTY OF OTSEGO SS:  
I,  Clerk of the County of Otsego of the  
County Court of said County and of the Supreme Court, both  
of the County of Record having a common seal,  
DO HEREBY CERTIFY that I have compared this copy with  
the original filed, recorded, or entered in this office and that the  
same is a correct transcript thereof and of the whole of said original.  
IN WITNESS WHEREOF, I have hereunto set my hand and  
placed the seal of said County and Courts on  
11/8/99...  
Signature  
Notary to  
County Law

*Brian F. Garson, Jr.*  
OTSEGO COUNTY CLERK

OTSEGO COUNTY CLERK  
11/8/99  
8

HENRY L. HULBERT  
ATTORNEY AT LAW  
ONEONTA, NEW YORK



CERTIFICATE OF INCORPORATION

OF THE

UPSTATE BAPTIST HOME

FOR CHILDREN

I N C O R P O R A T E D

STATE OF NEW YORK  
STATE BOARD OF CHARITIES  
THE CAPITOL AT ALBANY

IN THE MATTER OF THE INCORPORATION  
OF  
THE UPSTATE BAPTIST HOME FOR CHILDREN

WHEREAS, APPLICATION HAS BEEN MADE TO THE STATE BOARD OF CHARITIES FOR ITS APPROVAL OF THE INCORPORATION OF THE UPSTATE BAPTIST HOME FOR CHILDREN AND

WHEREAS, ON DUE INQUIRY AND INVESTIGATION IT APPEARS TO SAID BOARD DESIRABLE AND PROPER THAT SUCH ASSOCIATION SHALL BE SO INCORPORATED.

NOW THEREFORE, IN PURSUANCE OF AND IN CONFORMITY WITH THE PROVISIONS OF THE LAWS OF THE STATE OF NEW YORK, THE SAID STATE BOARD OF CHARITIES HEREBY CERTIFIES THAT IT APPROVES OF THE INCORPORATION OF SAID THE UPSTATE BAPTIST HOME FOR CHILDREN, THE CERTIFICATE OF INCORPORATION OF WHICH IS HEREUNTO ANNEXED.

IN WITNESS WHEREOF, THE SAID BOARD HAS THIS TENTH DAY OF JULY, 1923, CAUSED THESE PRESENTS TO BE SUBSCRIBED BY ITS PRESIDENT AND ATTESTED BY ITS SECRETARY AND ITS OFFICIAL SEAL TO BE HEREUNTO AFFIXED.

W. H. GRATWICK,  
PRESIDENT

SEAL

ATTEST:

CHARLES H. JOHNSON,  
SECRETARY

CERTIFICATE OF INCORPORATION OF  
THE UPSTATE BAPTIST HOME  
FOR CHILDREN

WE, THE UNDERSIGNED, ALL BEING PERSONS OF FULL AGE, AND ALL BEING CITIZENS OF THE UNITED STATES, AND RESIDENTS OF THE STATE OF NEW YORK, DESIRING TO FORM A CORPORATION, PURSUANT TO SECTION FORTY-ONE (41), OF THE MEMBERSHIP CORPORATIONS LAW OF THE STATE OF NEW YORK, DO HEREBY, MAKE, SIGN AND ACKNOWLEDGE THIS CERTIFICATE AS FOLLOWS:

I.

THE PRINCIPAL OBJECTS FOR WHICH THE CORPORATION IS FORMED, ARE AS FOLLOWS, TO WIT: TO ESTABLISH, CONDUCT AND MAINTAIN A HOME FOR THE CARE, SUPPORT, MAINTENANCE AND PROTECTION OF SUCH CHILDREN AS MAY BE ORPHANS BY REASON OF THE DEATH OF ONE, OR BOTH PARENTS, OR AS MAY BE LEFT WITHOUT PROPER GUARDIANSHIP TO PROVIDE FOR THEIR SUPPORT AND TO OFFER THE MEANS OF A RELIGIOUS, MORAL, INTELLECTUAL, AND INDUSTRIAL TRAINING, AND TO PROMOTE THE WELFARE OF SUCH CHILDREN IN CONNECTION AND AFFILIATION WITH THE CHURCHES THROUGHOUT THE ASSOCIATIONS AS HEREINAFTER SET FORTH AND ENUMERATED.

II.

THE NAME OF THE CORPORATION IS TO BE "THE UPSTATE BAPTIST HOME FOR CHILDREN."

III.

THE TERRITORY IN WHICH THE OPERATIONS OF SAID CORPORATION ARE TO BE PRINCIPALLY CONDUCTED, IS THE TERRITORY WITHIN THE BOUNDS OF AND WHICH IS SERVED BY THE BAPTIST CHURCHES IN GOOD AND REGULAR STANDING IN THE BAPTIST ASSOCIATIONS HEREINAFTER SET FORTH AND ENUMERATED: THE FRANKLIN ASSOCIATION, THE DEPOSIT ASSOCIATION, THE WORCESTER ASSOCIATION, THE OTSEGO ASSOCIATION, THE MOHAWK RIVER ASSOCIATION, THE ONEIDA ASSOCIATION, THE MADISON ASSOCIATION, THE CHENANGO ASSOCIATION, THE CORTLAND ASSOCIATION, THE BROOME AND TIOGA ASSOCIATION, THE ONONDAGA ASSOCIATION, THE HUDSON RIVER NORTH ASSOCIATION, THE HUDSON RIVER CENTRAL ASSOCIATION, THE RENSSELAERVILLE ASSOCIATION, THE STEPHENTOWN ASSOCIATION, THE SARATOGA ASSOCIATION, THE WASHINGTON ASSOCIATION, AND THE CHEMUNG RIVER ASSOCIATION, INCLUDING IN WHOLE OR IN PART THE COUNTIES OF ROCKLAND, ORANGE, SULLIVAN, ULSTER, COLUMBIA, GREENE, ALBANY, RENSSELAER, SCHENECTADY, WASHINGTON, SARATOGA, FULTON, MONTGOMERY, HERKIMER, HAMILTON, ONEIDA, MADISON, SCHENARIE, OTSEGO, DELAWARE, ONONDAGA, CHENANGO, TIOGA, BROOME, CHEMUNG, TOMPKINS, CORTLAND, SCHUYLER, AND CAYUGA, IN THE STATE OF NEW YORK.

IV.

THE PRINCIPAL OFFICE OF SAID CORPORATION FOR THE TRANSACTION OF BUSINESS, IS TO BE LOCATED IN THE CITY OF ONEONTA, OTSEGO COUNTY, NEW YORK.

V.

THE NUMBER OF DIRECTORS OF SAID CORPORATION IS TO BE EIGHTEEN.

VI.

THE NAMES AND PLACES OF RESIDENCE OF THE PERSONS TO BE THE DIRECTORS OF SAID CORPORATION UNTIL ITS FIRST ANNUAL MEETING ARE AS FOLLOWS:

NAMES	PLACES OF RESIDENCE
CLAUD L. SMITH,	ONEONTA, N.Y.
FRANK C. HUNTINGTON,	ONEONTA, N.Y.
FRANK DAVY,	UNADILLA, N.Y.
A. J. LEONARD,	OTSEGO, N.Y.
WALTER POMEROY,	FRANKLIN, N.Y.
WILLIAM MILLER,	NORTH FRANKLIN, N.Y.
W. W. FREY,	CAMDEN, N.J.
WILLIAM G. WRIGHT	MILFORD CENTER, N.Y.
L. E. BRONSON,	WEST ONEONTA, N.Y.
W. H. SISSON,	WELLS BRIDGE, N.Y.
ELMER BAKER,	SIDNEY, N.Y.
O. D. WHEAT,	SIDNEY CENTER, N.Y.
RAYMOND TRUMAN,	WEST ONEONTA, N.Y.
SETH OSTERHOUT,	WALTON, N.Y.
N. S. BURD,	ONEONTA, N.Y.
L. L. PEARSALL,	MT. UPTON, N.Y.
W. M. DIETZ,	GILBERTSVILLE, N.Y.
F. J. FRISBEE,	DELHI, N.Y.

VII.

THE DIRECTORS SHALL BE ELECTED, ONE FROM EACH OF THE ASSOCIATIONS HEREINBEFORE SET FORTH AND ENUMERATED, AND SHALL BE ELECTED AT THE ANNUAL MEETING IN EACH YEAR FOR A PERIOD OF THREE YEARS.

VIII.

THE TIME OF HOLDING THE ANNUAL MEETING OF SAID CORPORATION IS TO BE THE SECOND TUESDAY OF FEBRUARY OF EACH YEAR.

IN WITNESS WHEREOF, WE HAVE MADE, SIGNED AND ACKNOWLEDGED THIS CERTIFICATE IN DUPLICATE.

CLAUD L. SMITH  
FRANK C. HUNTINGTON  
L. E. BRONSON  
N. S. BURD  
I. J. BOOKHOUT

W. H. HOFFMAN  
A. E. CEPERLEY  
GEORGE L. WINANS  
HENRY SAUNDERS  
ALBERT H. MURDOCK

STATE OF NEW YORK  
COUNTY OF OTSEGO  
CITY OF ONEONTA, ss:

ON THIS 29TH DAY OF JUNE, 1923, BEFORE ME, THE SUBSCRIBER, PERSONALLY CAME, CLAUD L. SMITH, FRANK C. HUNTINGTON, L. E. BRONSON, N. S. BURD, I. J. BOOKHOUT, WILLIAM H. HOFFMAN, A. E. CEPERLEY, G. L. WINANS, HENRY SAUNDERS AND A. H. MURDOCK, TO ME KNOWN TO BE THE SAME PERSONS DESCRIBED IN, AND WHO EXECUTED THE FOREGOING CERTIFICATE, AND THEY SEVERALLY, DULY ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME.

CLARENCE A. DUNNE,  
NOTARY PUBLIC, OTSEGO COUNTY.

I, A JUSTICE OF THE SUPREME COURT OF THE STATE OF NEW YORK, DO HEREBY APPROVE THE FOREGOING CERTIFICATE OF INCORPORATION.

DATED JUNE 2, 1924

ABRAHAM L. KELLOGG,  
JUSTICE OF THE SUPREME COURT.

STATE OF NEW YORK  
COUNTY OF OTSEGO  
CITY OF ONEONTA, ss:

CLAUD L. SMITH, FRANK C. HUNTINGTON, L. E. BRONSON, N. S. BURD, I. J. BOOKHOUT, WILLIAM H. HOFFMAN, A. E. CEPERLEY, G. L. WINANS, HENRY SAUNDERS AND A. H. MURDOCK, COMPRISING ALL OF THE ABOVE NAMED INCORPORATORS, BEING SEVERALLY DULY SWORN, EACH FOR HIMSELF, DEPOSES AND SAYS, AS FOLLOWS: I AM ONE OF THE PERSONS MENTIONED IN AND WHO EXECUTED THE FOREGOING CERTIFICATE OF INCORPORATION. I AM OF FULL AGE AND AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE STATE OF NEW YORK.

CLAUD L. SMITH  
FRANK C. HUNTINGTON  
L. E. BRONSON  
N. S. BURD  
I. J. BOOKHOUT  
W. H. HOFFMAN  
A. E. CEPERLEY  
GEORGE L. WINANS  
HENRY SAUNDERS  
ALBERT H. MURDOCK

SUBSCRIBED AND SWORN TO  
BEFORE ME THIS 29TH DAY  
OF JUNE, 1923.

CLARENCE A. DUNNE,  
NOTARY PUBLIC, OTSEGO COUNTY.

STATE OF NEW YORK  
OTSEGO COUNTY, CLERK'S OFFICE, SS.

I, CHESTER T. BACKUS, CLERK OF THE COUNTY OF OTSEGO, N.Y., DO HEREBY CERTIFY THAT I HAVE COMPARED THE FOREGOING COPY OF CERTIFICATE OF INCORPORATIONS, "THE UPSTATE BAPTIST HOME FOR CHILDREN", RECORDED IN LIBER F OF INCORPORATIONS, PAGE 43 A., JUNE 13, 1924, AT 1 O'CLOCK P.M., WITH THE ORIGINAL OF THE SAME REMAINING IN THIS OFFICE, AND THAT THE SAME IS A CORRECT TRANSCRIPT THEREFROM, AND OF THE WHOLE OF SAID ORIGINAL.

(L.S.)

IN TESTIMONY WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE SEAL OF SAID COUNTY AND COURTS, AT COOPERSTOWN, N.Y., THIS 12TH DAY OF MAY, 1927.

CHESTER T. BACKUS,  
OTSEGO COUNTY CLERK.



State of New York  
State Board of Charities  
The Capitol at Albany

In the Matter of the Incorporation  
of

The Upstate Baptist Home for Children

Whereas, Application has been made to the State Board  
of Charities for its approval of the incorporation of

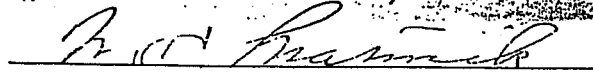
The Upstate Baptist Home for Children, and

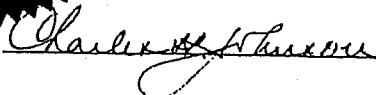
Whereas, On due inquiry and investigation it appears to  
said Board desirable and proper that such association shall be so  
incorporated.

Now Therefore, In pursuance of and in conformity with  
the provisions of the Laws of the State of New York, the said  
State Board of Charities hereby certifies that it approves of the  
incorporation of said The Upstate Baptist Home for Children,

the certificate of incorporation of which is herewith annexed.

In Witness Whereof, the said Board has  
this tenth day of July, 1923,  
caused these presents to be subscribed by its  
President and attested by its Secretary and  
its official seal to be herewith affixed.

  
PRESIDENT

ATTEST:   
SECRETARY

tions hereinafter set forth and enumerated: The Franklin

CERTIFICATE OF INCORPORATION OF  
THE UPSTATE BAPTIST HOME FOR CHILDREN.

We, the undersigned, all being persons of full age, and all being citizens of the United States, and residents of the State of New York, desiring to form a corporation, pursuant to Section Forty-one (41), of the Membership Corporations Law of the State of New York, DO HEREBY, make, sign and acknowledge this Certificate as follows:

I.

The principal objects for which the corporation is formed, are as follows, to-wit: To establish, conduct and maintain a home for the care, support, maintenance and protection of such children as may be orphans by reason of the death of one, or both parents, or as may be left without proper guardianship; to provide for their support and to offer the means of a religious, moral, intellectual and industrial training, and to promote the welfare of such children in connection and affiliation with the churches throughout the Associations as hereinafter set forth and enumerated.

II.

The name of the corporation is to be "THE UPSTATE BAPTIST HOME FOR CHILDREN."

III.

The territory in which the operations of said corporation are to be principally conducted, is the territory within the bounds of and which is served by the Baptist Churches in good and regular standing in the Baptist Associations hereinafter set forth and enumerated: The Franklin Association, the Deposit Association, the Worcester Association, the Otsego Association, the Mohawk River Association,

W. H. Hoffman  
A. E. Ceyrley  
George L. Winans  
Henry Saunders  
Albert H. Murdoch

STATE OF NEW YORK  
COUNTY OF OTSEGO SS:  
CITY OF ONEONTA

On this 29<sup>th</sup> day of June, 1923, before me, the  
subscriber, personally came, CLAUD L. SMITH, FRANK C.  
HUNTINGTON, E. B. INGRAMSON, H. S. BURD, I. J. BOOKHOUT,  
WILLIAM H. HOFFMAN, A. E. CEYRLEY, G. L. WINANS, HENRY  
SAUNDERS and A. H. MURDOCK, to me known to be the same  
persons described in, and who executed the foregoing certi-  
ficate, and they severally, duly acknowledged to me that  
they executed the same.

Clarence A. Dunne

Notary Public-Otsego County.

I, a Justice of the Supreme Court of the State  
of New York, DO HEREBY APPROVE the foregoing certificate of  
incorporation.

Dated June 2 1923.

Abraham L. Pease  
Justice of the Supreme Court.

the Oneida Association, the Madison Association, the Chenango Association, the Cortland Association, the Broome and Tioga Association, the Onondaga Association, the Hudson River North Association, the Hudson River Central Association, the Rensselaerville Association, the Stephentown Association, the Saratoga Association, the Washington Association and the Choming River Association, including in whole or in part the Counties of Rockland, Orange, Sullivan, Ulster, Columbia, Greene, Albany, Rensselaer, Schoenectady, Washington, Saratoga, Fulton, Montgomery, Herkimer, Hamilton, Oneida, Madison, Schoharie, Otsego, Delaware, Onondaga, Chenango, Tioga, Broome, Choming, Tompkins, Cortland, Schuylar and Cayuga, in the State of New York.

IV.

The principal office of said corporation for the transaction of business, is to be located in the City of Oneonta, Otsego County, New York.

V.

The number of directors of said corporation is to be eighteen.

VI.

The names and places of residence of the persons to be the directors of said corporation until its first annual meeting are as follows:

<u>NAMES.</u>	<u>PLACES OF RESIDENCE.</u>
Claud L. Smith,	Oneonta, N. Y.
Frank C. Huntington,	Oneonta, N. Y.
Frank Davy,	Unadilla, N. Y.
A. J. Leonard,	Otsego, N. Y.
Walter Pomeroy,	Franklin, N. Y.
William Miller,	North Franklin, N. Y.



STATE OF NEW YORK  
COUNTY OF OTSEGO SS:  
CITY OF ORFORDA

CLAUDE L. SMITH, FRANK C. HUNTINGTON, L. E.  
BRONSON, H. S. BURD, T. J. BOOKHOUT, WILLIAM H. HOFFMAN,  
A. E. CEPERLEY, G. L. FINNIS, HENRY SAUNDERS and A. H. MURDOCK,  
comprising all of the above named incorporators, being sever-  
ally duly sworn, each for himself, deposes and says, as  
follows: I am one of the persons mentioned in and who exe-  
cuted the foregoing Certificate of Incorporation. I am of  
full age and am a Citizen of the United States and a resident  
of the State of New York.

Claude L. Smith

Frank C. Huntington

L. E. Bronson

H. S. Burd

T. J. Bookhout

W. H. Hoffman

A. E. Ceperley

George A. Finnis

Henry Saunders

Albert H. Murdock

Subscribed and sworn to before me  
this 29<sup>th</sup> day of June, 1923.

Clarence A. Sumner

Notary Public-Otsego County.

STATE OF NEW YORK, COUNTY OF OTSEGO SS:  
I, Brian F. Carson, Jr., Clerk of the County of Otsego of the  
County Court of said County and of the Supreme Court, both  
being Courts of this State having a common seal,  
DO HEREBY CERTIFY that I have compared this copy with  
the original filed, recorded, or entered in this office and that the  
same is a correct transcript thereof and of the whole of said original  
IN WITNESS WHEREOF, I have hereunto set my hand and  
placed the seal of said County of Courts on  
Date: 18/23  
Clerk's signature Brian F. Carson, Jr.  
Notary Public to  
Sec. 903 County Law OTSEGO COUNTY CLERK

EXHIBIT B  
BY-LAWS OF THE INSTITUTION

---SEE ATTACHED---

**AMENDED AND RESTATED  
BYLAWS  
OF  
SPRINGBROOK NY, INC.**

**Contents**

Amended and Restated Bylaws.....	p. 1 – 9	(June 29, 2015)
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**AMENDED AND RESTATED**  
**BYLAWS**  
**OF**  
**SPRINGBROOK NY, INC.**  
**A NOT-FOR-PROFIT CORPORATION**

**ARTICLE I**  
**NAME AND PURPOSE**

The name of the corporation is Springbrook NY, Inc. (hereinafter, the "Corporation"). The Corporation was founded in 1924 by the Baptist Church in Franklin, NY and the Corporation appreciates its traditions arising out of its relationship with the American Baptist Churches of the USA. The purposes of the Corporation shall be as set forth in its Certificate of Incorporation, as amended.

**ARTICLE II**  
**NO MEMBERS**

As of September 17, 2010, there shall be no members of the Corporation. The business of the Corporation shall be governed by its Board of Directors and the Board's committees in accordance with the New York State Not-For-Profit Corporation Law (the "NPCL") and these Bylaws. The Board of Directors of the Corporation shall have complete charge of the management of the Corporation, including election of its Directors.

**ARTICLE III**  
**BOARD OF DIRECTORS**

3.1 Management of Corporate Affairs. The affairs of the Corporation shall be managed and conducted by a governing board, which is herein referred to as the "Board of Directors" or the "Board". The members of the Board of Directors may herein be referred to as the "Directors." The use of the phrase "entire Board of Directors" in these Bylaws refers to the number of directors, within such range defined in Article 3.2, below, that were elected as of the most recently held election of directors.

3.2 Composition of Board. The Board of Directors shall be composed of a minimum of twelve (12) Directors and a maximum of eighteen (18) Directors, with the exact number of Directors being established by the Board from time to time. The Board may change the minimum or maximum number of Directors, at any time, by the vote of a majority of the entire Board of Directors. The term of each Director shall be three (3) years. Any Director, having served three full three-year consecutive terms shall be ineligible for re-election for at least one

year. Notwithstanding the foregoing, a Director who has served a partial term to fill a vacancy shall be eligible to fill three successive three year terms immediately thereafter. In the event that an officer completes his or her term of office simultaneously with the completion of his or her third full three year term as a director, the officer shall remain as an advisor of the Board of Directors for one (1) year in a non-voting capacity.

3.3 Election of Directors. At the third quarterly meeting of each calendar year, or at any other meeting of the Board of Directors, the Board shall elect Directors to replace the Directors whose terms have expired or to fill vacancies, with approximately one-third of the Board of Directors being elected each year.

3.4 Removal of Directors. Directors may be removed from the Board with or without cause by the majority vote of the entire Board of Directors.

3.5 Vacancies. If a vacancy occurs on the Board of Directors by reason of death, removal or resignation of any Director, the Board of Directors may, in its sole discretion, either (a) elect a replacement to serve for the remainder of the term of the replaced Director, or (b) elect not to fill the vacancy until a future date at which time the Board shall fill the vacancy in accordance with the provisions of Section 3.3.

3.6 Powers of Board. The Board of Directors shall function as the governing board of the Corporation subject to the NPCL and shall have all the powers and duties bestowed upon a Board of Directors of a non-membership not-for-profit corporation as set forth therein. The Board shall appoint an Audit Committee, made up solely of Independent Directors, to address the matters set forth in Section VI.6.2.f. of these Bylaws and all matters required to be handled by Independent Directors pursuant to Section 712-a or any other provisions of the Not-for-Profit Corporation Law of the State of New York, as it may be amended from time to time.

3.7 Independent Directors. An Independent Director is a Board Director who: (1) is not and has not for the past 3 years been an employee of the Corporation and does not have a relative who is, or has been within the past 3 years, a key employee of the Corporation; (2) has not received and does not have a relative who has received, in any of the past 3 fiscal years, more than \$10,000 in direct compensation from the Corporation; and (3) is not a current employee of or does not have substantial financial interest in (or have a relative who is a current officer of or has a substantial financial interest in) any entity that has made payments to, or received payments from, the Corporation in any the last 3 fiscal years exceeding the

lesser of \$25,000 or 2 percent of the consolidated gross revenue. The term "payment" as used herein does not include charitable contributions.

#### **ARTICLE IV** **MEETINGS**

4.1 **Regular Meetings.** The Board of Directors shall hold regular meetings at least four (4) times each year at such dates, times and places as the Board or the Executive Committee shall determine.

4.2 **Special Meetings.** Special meetings of the Board of Directors may be called by the President, by the Secretary at the President's request, or upon the written request of a majority of the entire Board of Directors. Notices of a special meeting shall indicate the business to be considered at said special meeting.

4.3 **Notice of Meetings.** Notices for meetings of the Board of Directors shall be sent to each Director at least ten (10) days before such meeting by fax, e-mail or other electronic means, personal delivery, overnight courier, registered or certified mail or regular mail. Notice of a meeting need not be given to any Director who submits a signed waiver of notice, whether before, at, or after the meeting. The attendance of any Director at a meeting, without protesting prior to the beginning of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

4.4 **Quorum.** At a meeting of the Board of Directors or any Committee thereof, one more than half of the entire Board of Directors or Committee (not including vacancies) shall constitute a quorum for the transaction of business. Once a quorum is present to organize a meeting, it is not broken by the subsequent withdrawal of any Director(s) or Committee member(s). In the absence of a quorum, the Directors or Committee members present may adjourn the meeting despite the absence of a quorum.

4.5 **Action by Directors.** Except as otherwise required by the NPCL, the Certificate of Incorporation, these Bylaws or any other agreement of the Corporation, at a meeting of the Board of Directors where a quorum is present, any corporate action may be taken by the vote of a majority of the Directors present at the meeting. Notwithstanding the foregoing and subject to the NPCL, the approval of at least a majority of the entire Board of Directors is required to: (a) file for bankruptcy or receivership; (b) adopt a plan of dissolution; (c) amend the certificate of incorporation; or (d) incur any debt that may become a lien upon the real or personal property of the Corporation, or that may become a personal charge against any Director or Directors of the Corporation.

4.6 **Action by Directors or Committees in Writing Without a Meeting.** Any action required or permitted to be taken by the Board of Directors or any Committee thereof may be taken without a meeting if all members of the Board or the Committee consent in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic.

If written, the consent must be executed by the director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the director. The resolution and the written consents thereto by the members of the Board or Committee shall be filed with the minutes of the proceedings of the Board or Committee.

4.7 Participation by Conference Telephone or Similar Communications Equipment. Any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of such Board or Committee by means of a conference telephone or similar communications equipment or by electronic video screen communication; provided that all persons participating in the meeting can hear each other at the same time and can participate in all matters before the Board or Committee, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the Board or Committee. Participation by such means shall constitute presence in person at the meeting.

## **ARTICLE V**

### **OFFICERS**

5.1 Elected Officers. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer.

5.2 Election of Officers. The officers shall be elected by the Board at the third quarterly meeting of each calendar year, or at any other meeting of the Board of Directors, and shall be elected from the members of the Board of Directors.

5.3 Officers Other Than Those Required to be Elected from the Board. The Corporation may have employees with various executive and/or operating officer titles who need not be elected or appointed from the members of the Board of Directors and will not be considered Directors or "officers" of the Board for purposes of these Bylaws.

5.4 Term. The term of each officer who is a member of the Board of Directors shall be one (1) year, but an incumbent shall continue in office until a successor shall be chosen. No officer may serve more than four (4) consecutive one (1) year terms.

5.5 Removal of Officers. The Board of Directors may remove any officer by the vote of a majority of the entire Board of Directors at any time with or without cause.

5.6 Duties of Officers. The officers shall have the duties set forth in the NPCL and any additional duties that may be specified by the Board of Directors from time to time.

## **ARTICLE VI**

### **COMMITTEES**

6.1 **Committees.** The Board may appoint Committees of the Board and Committees of the Corporation, each of which shall have at least three (3) members who are Directors, and all of which shall exercise the duties granted to them in these Bylaws or by the Board, subject to the constraints of the NPCL, the Certificate of Incorporation and the Bylaws. "Committees of the Board" are those that may have the power to bind the board within the limitations of the NPCL and must be comprised solely of board members. "Committees of the Corporation" are those that cannot bind the board and may include non-board members. The Board shall also appoint the chair of each Committee. The Executive and Audit Committees shall be Committees of the Board. The following committees can be committees of the Corporation: Finance, Governance, Development/Marketing/Public Relations Committee, Human Resources and Quality Assurance Committee,

6.2 **Present Committees:**

a. **Executive Committee.** The Executive Committee shall consist of the President, the Vice President, the Secretary, the Treasurer and at least one additional Director. The Executive Committee shall have the following functions:

- The Executive Committee shall be authorized to meet and take action between Board meetings when it is impractical to convene the entire Board.
- The Executive Committee shall serve as an advisor to the CEO and as a liaison between the CEO and the entire Board of Directors.
- The Executive Committee is charged with oversight, evaluation and compensation of the CEO.

b. **Finance Committee.** The Finance Committee shall have the following functions:

- The Finance Committee shall oversee the preparation of the annual budget and performance of the Corporation, its budgeted revenue and expenses.
- The Finance Committee shall oversee the management of the Corporation's investments.
- The Finance Committee shall oversee the preparation and modification of the capital plan.
- Approval of the Finance Committee is required for all projects with costs in excess of \$50,000.



c. Governance Committee. The Governance Committee shall have the following functions:

- The Governance Committee shall review the Corporation's bylaws and current practices and recommend changes to reflect best practices and regulatory requirements.
- The Governance Committee shall be responsible for Board recruitment, orientation, self assessment, continuing education and management.
- The Governance Committee shall adopt and enforce the conflict of interest policy.

d. Development/Marketing/Public Relations Committee. The Development/Marketing/Public Relations Committee shall have the following functions:

- The Development/Marketing/Public Relations Committee shall be responsible for the Annual Fund.
- The Development/Marketing/Public Relations Committee shall be responsible for major and planned gifts.
- The Development/Marketing/Public Relations Committee shall be responsible for all events, including "The Gala".
- The Development/Marketing/Public Relations Committee shall oversee communications, public relations and promotions plans and provide critique where appropriate.
- The Development/Marketing/Public Relations Committee shall assure that all volunteers and constituents participate in fund raising activities.

e. Human Resources and Quality Assurance Committee. The Human Resources and Quality Assurance Committee shall have the following functions:

- The Human Resources and Quality Assurance Committee shall be responsible for all personnel policies and changes to them.
- The Human Resources and Quality Assurance Committee shall be responsible for creation of the management development program, including identifying who will participate, etc.
- The Human Resources and Quality Assurance Committee shall be responsible for quality review and reporting.

f. Audit Committee. The Audit Committee shall consist solely of Independent Directors and shall have the following functions:

- The Audit Committee shall oversee the financial reporting process.
- The Audit Committee shall monitor the choice of accounting policies and principles.
- The Audit Committee shall monitor the internal control process.

- The Audit Committee shall ensure open communication among management, internal auditors, external auditors, and the audit committee.
- The Audit Committee shall oversee hiring and performance of the external auditors.
- The Audit Committee shall also oversee the adoption, implementation of and compliance with the Conflict of Interest and Whistleblower Policies adopted by the Corporation and shall perform all functions and handle all matters required to be performed or handled by Independent Directors pursuant to Section 712-a or any other provision of the Not-for-Profit Corporation Law of the State of New York, as it may be amended from time to time.

6.3 Other Committees. The Board may from time to time create such other Committees as it deems desirable, composed either of Directors, non-Directors or both, and all of which Committees and members shall serve at the pleasure of the Board. The Board shall determine the responsibilities and duties of any such Committees and the Board shall appoint a chair for such Committees.

6.4 Members of Committees. Members of all Committees except the Executive Committee shall be proposed by the President and approved by the Board.

## **ARTICLE VII**

### **CHIEF EXECUTIVE OFFICER**

7.1 Appointment of the CEO. The Board of Directors shall appoint the Chief Executive Officer ("CEO").

7.2 Duties of the CEO. The CEO shall be the administrative head of the Corporation and shall serve at the pleasure of the Board of Directors. Through the responsibility delegated to the CEO by the Board of Directors, he/she shall have charge of the over all management of Springbrook. The range of responsibility of the CEO shall extend from the kind and quality of service given to the persons under his/her care to taking a place of leadership in the Corporation and in the fields of service that the Corporation seeks to serve.

The CEO's specific duties include: to report to the Board of Directors the effectiveness of the programs; to cooperate in community work that either directly or indirectly affects the welfare of those in the programs; to correlate all jobs and departments within the Corporation to assure smoothness of operation; to employ, direct and release staff; to expend allocated funds in keeping with Board policy; to report to the Board on general staff management of the Corporation; to conduct meetings with the staff; to interpret Board policy to the staff; to promote the development of a high quality of staff morale; to ensure that an inventory of properties, furnishings and equipment is maintained by the Corporation; and to assure that all

personnel files of employees of the Corporation are maintained in accord with applicable law and the Corporation's policies and procedures. The CEO's duties shall also include such other duties or responsibilities as may be set forth in the CEO's employment agreement, in any job description or other agreement with the Corporation, in the Corporation's policies, and/or as may be assigned by the Board of Directors from time to time.

The CEO shall maintain, safeguard and protect the confidentiality of all records for all persons in the Corporation's programs as required by applicable law and the policies and procedures of the Corporation. Such records shall include, without limitation, records relating to educational, social and physical growth of the children and adults in the Corporation's programs.

The CEO shall attend meetings of the Board of Directors and the Executive Committee and shall be permitted to attend any other Committee meetings, except when they are considering matters pertaining to him/her.

#### **ARTICLE VIII** **INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every person who is or shall have been a Director or officer of the Corporation and his/her personal representatives shall be indemnified by the Corporation against all costs and expenses reasonably incurred or imposed upon him/her in connection with or resulting from any action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a Director or officer of the Corporation or of any subsidiary or affiliate thereof to the fullest extent permitted by and consistent with Article 7 of the NPCL, except in relation to such matters as to which he/she shall finally be adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct in the performance of his/her duty as a Director or officer. "Costs and expenses" shall include, without limiting the generality thereof, attorney's fees, damages and reasonable amounts paid in settlement, which shall be subject to the Board's approval.

#### **ARTICLE IX** **MISCELLANEOUS**

9.1 **Offices.** The Corporation may establish offices at such places as the Board of Directors prescribes or as the business of the Corporation requires.

9.2 **Seal.** The seal of the Corporation shall be circular and in the form prescribed by the Board of Directors, and shall contain the name of the Corporation, the year in which it was formed and the words "Corporate Seal" and "New York." The Corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

9.3 **Fiscal Year.** The fiscal year of the Corporation shall be determined by the Board of Directors.

9.4 Duties of Directors and Officers. A Director or officer shall perform his or her duties as such, including his or her duties as a member of any Committee of the Board of Directors upon which he or she may serve, in good faith and with that degree of care which an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director or officer, when acting in good faith, shall be entitled to rely on information, opinions, reports or statements including financial statements and other financial data, in each case prepared or presented by such sources and under such circumstances as the NPCL prescribes. A person who so performs his or her duties shall have no liability by reason of being or having been a Director or officer of the Corporation.

9.5 Construction. Whenever the singular form is used in these Bylaws, and when required by the context, the same includes the plural and vice versa, and the masculine gender includes the feminine and neuter genders and vice versa.

9.6 Headings. The headings in these Bylaws are for convenience only and are not to be used to interpret or construe any provision of these Bylaws.

## **ARTICLE X AMENDMENTS**

These Bylaws may be revised or amended at any meeting of the Board of Directors by a majority vote of the entire Board of Directors, provided that the language of the proposed revision or amendment to the Bylaws is included with the notice of the meeting.

## **POLICIES**

### **APPENDIX A | Corporate Policy Definitions**

#### **1. Related Party.**

A "Related Party" means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty- five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

#### **2. Affiliate.**

An "Affiliate" of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.

#### **3. Director.**

A "Director" means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.

#### **4. Officer.**

An "Officer" means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.

#### **5. Key Employee.**

A "Key Employee" means any person who is in a position to exercise substantial influence over the affairs of the Corporation.

#### **6. Relative.**

A "Relative" of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

#### **7. Related Party Transaction.**

A "Related Party Transaction" means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.

#### **8. Entire Board.**

The definition of "Entire Board" shall be set forth in the By-laws.

#### **9. Independent Director.**

An "Independent Director" means a Director who:

- i. is not, and has not been within the last three (3) years, an Employee of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Employee (as defined by these By-Laws) of the Corporation or an Affiliate,
- ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate (other than reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director if permitted by statute and regulation, and,
- iii. is not a current Employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has made "payments" to, or received "payments" from, the Corporation or an Affiliate of the Corporation for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this definition the term "payments" does not include charitable contributions.

**10. Independent Auditor.**

An "Independent Auditor" means any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Director, Employee or Volunteer of the Corporation or has a Relative who is such an individual.

## APPENDIX B | Board of Directors Conflicts of Interest Policy

### 1. Policy Definitions.

- a. Affiliate. An "Affiliate" of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.
- b. Director. A "Director" means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.
- c. Key Employee. A "Key Employee" means any person who is in a position to exercise substantial influence over the affairs of the Corporation.
- d. Officer. An "Officer" means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.
- e. Related Party. A "Related Party" means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).
- f. Related Party Transaction. A "Related Party Transaction" means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.
- g. Relative. A "Relative" of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

### 2. Policy Requirements.

Any real, or potential, financial transaction with a "Related Party" (as defined herein), particularly any "Related Party Transaction" (as defined herein), and/or any other matter generally constituting a possible conflict of interest, with this Corporation and/or an "Affiliate" (as defined herein) must be addressed in accordance with the terms of this Board of Directors Conflicts of Interest Policy. Any Related Party Transaction, or any other conflicted matter, authorized in a manner that is materially inconsistent with the terms of this policy may be subsequently rendered void or voidable by a vote of the majority (50% +1) of the Board of Directors, excluding any individual with voting privileges and an interest in the subject transaction or matter.

### 3. General Disclosure.

Prior to initial election, or upon hiring, as appropriate, and annually thereafter, each "Director," "Officer" and "Key Employee" (each as defined herein) shall be required to complete, sign and submit to the Secretary, or an authorized designee, as appropriate, a written statement identifying, to the best of the Director's knowledge, any entity of which he/she is an Officer, Director, Trustee, Member, Owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant, and in which the Director might have a conflicting interest, as well as those where a "Relative" (as defined herein) might have a conflicting interest. The Secretary shall provide a copy of all completed disclosure statements to the Audit and Finance Committee or, if there is no such Committee, to the Board of Directors. A copy of each disclosure

statement shall be available to any Director on request.

**4. Specific Disclosure.**

If at any time during his or her term of service, a Director, Officer or Key Employee acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Related Party Transaction, or any other conflicted matter, he or she shall promptly disclose, in good-faith, to the Board of Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

**5. Conflicts Review Committee.**

The Audit Committee or an *ad hoc* Conflicts Review Committee of the Board of Directors, comprised entirely of individuals considered to meet the statutory standard of "Independent Director" (as defined herein) without an interest in the given transaction or matter, shall be duly appointed and convened by the Board to review any real or potential Related Party Transaction, or matter which might be considered to constitute a conflict of interest for a particular "Related Party" (as defined herein). If no Audit and Finance or formal Conflicts Review Committee is charged, the Board (excluding any interested Director) may act in its stead.

**6. Standard of Review.**

In any instance where a Related Party Transaction, or other conflicted matter, is being reviewed, and is so material that it would customarily warrant formal approval by the Board of Directors, either the Audit Committee, or an *ad hoc* Conflicts Review Committee, (as appropriate) shall thoroughly review the transaction or matter and submit to the Board a recommendation as whether or not it should be approved, or the Board, itself, shall thoroughly review the transaction and render a binding determination as to whether it should be to approved.

**7. Authorization of Related Party Transactions**

The Corporation shall not enter into any Related Party Transaction, or any other conflicted matter, unless such a transaction or matter is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of such determination.

**8. Authorization of Transactions Concerning Substantial Financial Interest.**

With respect to any Related Party Transaction, or other conflicted matter, in which a Related Party has a substantial financial interest, the Board of Directors, or an authorized committee thereof, as appropriate shall:

- i. prior to entering into such Transaction, or matter, to the extent practicable, consider alternative transactions and/or a review of information compiled from at least two (2) independent appraisals of other comparable transactions;
- ii. approve the transaction by not less than a two-thirds (2/3s) majority vote of the Directors or committee members, as appropriate, present at the meeting; and,
- iii. contemporaneously document the basis for approval by the Board, or authorized committee, as appropriate, which shall include the preparation of a written report, to be attached to the minutes of any meeting where the transaction or matter was deliberated or authorized, identifying the details of the transaction or matter; alternate transactions considered; materials or other information reviewed, Directors present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

**9. Restrictions.**

With respect to any Related Party Transaction, or any other conflicted matter, considered by the Board, or an authorized committee, as appropriate, no Related Party shall:



- i. be present at, or participate in, any deliberations;
- ii. attempt to influence deliberations; and/or iii. cast a vote on the matter.

Nothing herein shall prohibit the Board, or authorized committee, as appropriate, from requesting that a Related Party present information concerning a Related Party Transaction, or any other conflicted matter, at a Board, or Committee, meeting prior to the commencement of deliberations or voting relating thereto.

**10. Audit-Related Disclosure of Conflicts.**

It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Director interest disclosure statements and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Chair of the Audit and Finance Committee or, if there is no Audit and Finance Committee, to the President of the Board of Directors, in an effort to assure that they are properly considered for auditing purposes.

## APPENDIX C | Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement

### *—Code of Ethical Conduct—*

This Corporation is committed to maintaining the highest standard of conduct in carrying out our fiduciary obligations in pursuit of our tax-exempt mission and purposes. As such, each and every Director, Officer and Key Employee (to the extent applicable) shall adhere to the following code of conduct:

#### **By-Laws & Policies.**

- be aware of and fully abide by the bylaws, rules and regulations of the Corporation and policies of the corporation, pursuant to the New York Not-for-Profit Corporation Law (NFPCL).
- assure compliance of the Corporation with respect to all statutes, regulations and contractual requirement.
- respect and fully support the duly-made decisions of the Board of directors in accordance with their fiduciary duties of obedience and loyalty.
- respect the work and recommendations of committees who are duly charged and have convened and deliberated accordingly, pursuant to the NFPCL.
- work diligently to ensure that the board fully assumes its role as a policy-making, governing body.
- view and act towards the Chief Executive Officer as the chief administrative officer with the sole responsibility for the day-to-day management of the organization, including personnel, and for implementation of board policies and directives.

#### **Informed Participation.**

- attend most, if not all, meetings of the Board and assigned committees.
- remain informed of all matters, including financial, that come before the Board and/or assigned committees.
- respect and follow the “chain of command” of the Board and administration.
- constructively and appropriately bring to the attention of the Board, Officers, committee chairs and/or appropriate staff any questions, personal views, opinions and comments of significance on relevant matters of governance, policymaking and our constituencies.
- oppose, on the record, Board actions with which one disagrees or is in serious doubt.
- appropriately challenge, within the structure and bylaws of the corporation, those binding decisions that violate the legal, fiduciary or contractual obligations of the corporation.
- do not fully commit to others or self to vote a particular way on an issue before participating in a deliberation session in which the matter is discussed and action duly taken.
- act in ways that do not interfere with the duties or authority of staff.

**Conflict of Interest, Representation & Confidentiality.**

- represent the best interests of the corporation at all times and to declare any and all duality of interests or conflicts of interests, material or otherwise, that may impede or be perceived as impeding the capacity to deliberate or act in the good faith, on behalf of the best interests of the Corporation.
- conform to the procedures for such disclosure and actions as stated in the bylaws or otherwise established by the board, pursuant to NFPCL.
- not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because, or as a result, of the board member's affiliation with the Corporation.
- publicly support and represent the duly made decisions of the Board.
- not take any public position representing the Corporation on any issue that is not in conformity with the official position of the corporation.
- not use or otherwise relate one's affiliation with the board to independently promote or endorse political candidates or parties for the purpose of election.
- maintain full confidentiality and proper use of information obtained as a result of board service in accordance with board policy or direction.

**Interpersonal.**

- speak clearly, listen carefully to and respect the opinions of fellow board members and key staff.
- promote collaboration and partnership among all members of the board.
- maintain open communication and an effective partnership with the Board's officer and committee leadership.
- remain "solution focused", offering criticism only in a constructive manner.
- not filibuster or engage in activities during meetings that are intended to impede or delay the progress and work of the board because of differences in opinion or other personal reasons.
- always work to develop and improve one's knowledge and skills that enhances one's abilities as a Director.

**—Annual Potential Conflicts Disclosure Statement—**

As a Director or Officer or Key Employee of the Corporation, prior to being seated on the Board of Directors or commencing employment with the Corporation, as appropriate, and annually thereafter, you are required to truthfully, completely and accurately disclose all information requested herein and to promptly update all such information as circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, be advised, all material terms identified by quotation marks are defined by Appendix "A" of the By-Laws of the Corporation, which is entitled "By-Law & Corporate Policy Definitions."

**Please mark 'Yes' or 'No' where indicated & provide additional information when requested**

**Financial Information Return Disclosure.**

Responses to the following questions are required in order to complete financial information returns annually submitted to the Internal Revenue Service and the Office of the Attorney General.

1. Have you served as an Officer, Director, Trustee, key employee, partner or member of, or hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), in, an entity, which during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with the Corporation?

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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2. Have you, individually, or through an entity where you hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with any individual who is a current or former "Officer," "Director" or "Key Employee" of the Corporation?

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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3. Do you have a "Relative" who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, a direct, or indirect, business relationship with the Corporation?

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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4. Have you been provided with, properly reviewed and reasonably understand the terms of the Corporation's current written Board of Directors Conflicts of Interest Policy?

\_\_\_\_\_      \_\_\_\_\_  
No              Yes              If No, briefly describe below & attach a detailed explanation

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5. Have you, or did you have a "Relative" who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, any transaction with the Corporation that might reasonably be considered a real or potential conflict of interest pursuant to the Corporation's Board of Directors Conflicts of Interest Policy, which has not been otherwise disclosed herein?

\_\_\_\_\_      \_\_\_\_\_  
No              Yes              If Yes, briefly describe below & attach a detailed explanation

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**Independent Director Assessment Disclosure.**

In order to qualify as an "Independent Director," as defined by the New York Not-for-Profit Corporation Law, an Officer or Director must respond in the affirmative to each of the following questions, although failure to respond in the affirmative to all questions shall not necessarily preclude such an Officer or Director from serving on the Board of Directors.

1. Are you currently, or have you been within the last three (3) fiscal years, an employee of the Corporation, or an "Affiliate" of the Corporation?

\_\_\_\_\_      \_\_\_\_\_  
No              Yes              If Yes, briefly describe below & attach a detailed explanation

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2. Do you have a "Relative" who is, or has been within the last three (3) years, a "Key Employee" of the Corporation or an Affiliate of the Corporation?

\_\_\_\_\_      \_\_\_\_\_  
No              Yes              If Yes, briefly describe below & attach a detailed explanation

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3. Have you received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an "Affiliate" of the Corporation, other than reimbursement for out-of-pocket expenses?

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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4. Do you have a "Relative" who has received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an "Affiliate" of the Corporation, other than reimbursement for out-of-pocket expenses?

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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5. Are you a current officer or employee of, or do you have a substantial financial interest in, any entity that has made "payments" to, or received "payments" from, the Corporation or an "Affiliate" of the Corporation, for property or services in an amount which, within the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this question, the definition the term "payments" does not include charitable contributions.

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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6. Do you have a Relative who is a current officer or employee of, or has a substantial financial interest in, any entity that has made "payments" to, or received "payments" from, the Corporation or an "Affiliate," for property or services in an amount which, within the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this question, the definition the term "payments" does not include charitable contributions.

                                                            If Yes, briefly describe below & attach a detailed explanation  
No                              Yes

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***—Certification—***

I, the undersigned, certify that I have read and understand this Code of Ethical Conduct & Annual Conflicts Disclosure Statement. I agree that my actions will comply with the disclosures found in this document. I further affirm that neither I, as a Related Party nor any Relative have, or had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests Policy of the Corporation or, otherwise impedes my ability to act as a fiduciary and in the best interests of the Corporation, except those that may have been disclosed herein.

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Date

## APPENDIX D | Whistleblower Protection Policy

### 1. Intent.

The Corporation shall endeavor to protect any "Director," "Officer" (each as defined by these By-Laws) employee, including any "Key Employee" (as defined by these By-Laws) or volunteer who provide substantial services to the Corporation intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Directors, Officers, Employees or Volunteers, as a consequence of the good-faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation.

### 2. Requirements.

Provided the Corporation has twenty (20) or more Employees (full-time, part-time, or a combination thereof) and annual revenue exceeding one million dollars (\$1,000,000), it is required, pursuant to state statute, to adhere to the terms of this policy, which, in the absence of such considerations, shall be considered advisable, but not necessarily required.

### 3. Disclosure.

If any Director, Officer, Employee or Volunteer reasonably believe that some policy, practice, or activity of the Corporation, or of another individual or entity with whom the Corporation has a substantial business relationship exceeding ten thousand dollars (\$10,000), may violate any statute, regulation, applicable ethical standard or policy or procedure of the Corporation, such individual is required to file a confidential written report summarizing his/her concerns with the Vice-President, general counsel for the Corporation or a designated Employee Protection Officer, as appropriate.

### 4. Investigation & Resolution.

The investigation of any alleged misconduct or omission governed by this policy shall be conducted in the following manner:

- a. the subject Director, Officer, Employee or Volunteer shall file the confidential written report with the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, within thirty (30)-days of witnessing the alleged misconduct or omission, whereupon said Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, shall act as follows:
  - i. maintain the confidentiality of subject Director, Officer, employee or volunteer by not disclosing to other Directors, Officers, Employees or Volunteers of the Corporation, the existence of the alleged misconduct or omission, the underlying factual circumstances of the filing of the written report, except as needed in order to properly investigate the matter,
  - ii. conduct an appropriate investigation of the matter within approximately thirty (30)-days of receipt of the written report, or as soon as practicable thereafter,
  - iii. review the policies and procedure of the Corporation, making particular note of the alleged misconduct or omission,
  - iv. assess, in the most confidential manner possible, the concerns of the subject Director, Officer, Employee or Volunteer, via written questionnaire and/or interview, as well as those of other Directors, Officers, employees or volunteers who may have an understanding of, or be complicit in, the alleged misconduct or omission, in order to form an informative opinion of the matter and, if necessary, potential recommendations for resolution,



- v. prepare and submit a written report on the matter to either the Audit Committee or an *Ad Hoc* Whistleblower–Employee Protection Committee of the Board, as appropriate, together with recommendations as to resolution and a timeline for implementation of recommended actions, and,
- vi. forward a copy of the written report to the “Entire Board of Directors” (as defined by these By-Laws).

b. the Audit Committee or Whistleblower–Employee Protection Committee, as appropriate, shall act on the written report of the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, review findings and recommendation identified therein, and submit to the Board of Directors a written assessment of the matter, recommendations as to resolution and a timeline for implementation of recommended actions; and,

c. upon receipt of the written report of the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, and the written assessment of the Audit Committee or Whistleblower–Employee Protection Committee, as appropriate, the Board of Directors, at its next scheduled Regular Meeting, or a Special Meeting called for that purpose, shall consider the matter and render binding determinations as to resolution, up to, and including, the suspension or removal of any Director, Officer, employee or volunteer of the Corporation found to have engaged in the subject misconduct or omission.

#### **5. Retaliation Protections.**

Upon filing a written report of alleged violation(s) of statute, regulation or applicable ethical standard, any such Director, Officer or Key Employee shall be protected, directly and indirectly, from intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation or any of its Directors, Officers, employees or volunteers.

#### **6. Documentation.**

The Audit Committee or Whistleblower–Employee Protection Committee, as appropriate, and the Board of Directors shall assure that the matter is properly documented in the records of the Corporation, including minutes of any meeting of any Committee and the Board where the matter was considered and/or addressed, paying particular attention to the confidentiality of this policy.

#### **7. Limitations.**

This policy does not protect any Director, Officer, employee or volunteer of the Corporation acting in bad faith; who is deliberately dishonest; and/or, has personally garnered profit, or some other advantage, to which he/she is not legally entitled. No Director, Officer, Employee or Volunteer should expect protection under this policy if he/she is complicit in the misconduct or omission that is the subject of his/her concern, unless his/her complicity is, itself, prompted by duress or is motivated by reasonable fear of some form of intimidation, harassment, discrimination or other form of retaliation.

#### **8. Publication.**

A copy of the policy shall be distributed to all Directors, Officers, Employees and Volunteers who provide substantial services to the Corporation.

## APPENDIX E | Audit Oversight Policy

### 1. Auditing.

If required by statute, regulation or contract, if deemed necessary and practicable by the Board of Directors, or if mandated by any empowered governmental agency, the accounts of the Corporation shall be subject to an annual audit report or audit review report prepared by an independent Certified Public Accountant, an "Independent Auditor" (as defined by these By-Laws). Once retained, neither the Independent Auditor, nor a partner, associate or employee of the Independent Auditor's firm or practice; or, a "Relative" (as defined in these By-Laws), or a partner, associate or employee of a Relative's firm or practice, shall perform any assistance to the Corporation other than that directly related to auditing functions.

### 2. Required Duties.

Should statute, regulation or contract require the Corporation to file an audit report or audit review report prepared by an independent Certified Public Accountant, an "Independent Auditor" (as defined by these By-Laws), the Board of Directors, or a designated Audit and Finance, or other, Committee of the Board of Directors, comprised solely of "Independent Directors" (as defined by these By-Laws), shall perform the following duties:

- i. oversee the accounting and financial reporting processes of the Corporation and the audit of the Corporation's financial statements;
- ii. annually retain or renew the retention of an Independent Auditor to conduct the audit and, upon completion thereof, review the results of the audit and any related management letter with the Independent Auditor; and,
- iii. oversee the adoption, implementation of, and compliance with the Corporation's Conflicts of Interest Policy and any required Whistleblower Policy adopted by the Corporation if such functions are not otherwise performed by another Committee of the Board comprised solely of Independent Directors.

### 3. Additional Revenue-Imposed Duties.

Should the Corporation be required to file an audit report or audit review report prepared by an Independent Auditor and in the prior fiscal year had, or in the current fiscal year reasonably expects to have, annual revenue in excess of one million dollars (\$1,000,000), by state statute, the Board, or a designated Audit and Finance Committee, or another Committee of the Board, comprised solely of Independent Directors, shall also be required to perform the following duties:

- i. review with the Independent Auditor the scope and planning of the audit prior to the audit's commencement;
- ii. upon completion of the audit, review and discuss with the Independent Auditor:
  - a) any material risks and weaknesses in internal controls identified by the Independent Auditor;
  - b) any restrictions on the scope of the Independent Auditor's activities or access to requested information;
  - c) any significant disagreements between the Independent Auditor and management of the Corporation; and,
  - d) the adequacy of the Corporation's accounting and financial reporting processes;
- iii. annually consider the performance and independence of the Independent Auditor; and,

- iv. if the duties required by this Section are performed by an Audit and Finance Committee, or another Committee of the Board, report on the Committee's activities to the Board.

**4. Affiliate Corporations.**

Should the Corporation control other "Affiliate" (as defined by these By-Laws) subsidiary corporations, the Board of Directors of this Corporation, or a designated Audit Committee comprised solely of this Corporation's Independent Directors, may pursuant to state statute and these By-Laws perform all audit oversight duties stipulated in this Article for any such affiliate or subsidiary corporations.

**5. Restrictions.**

Only Independent Directors may participate in any Board or Committee deliberations or voting relating to matters set forth in this Article.

EXHIBIT C

CERTIFICATE OF GOOD STANDING  
RELATING TO THE INSTITUTION

---SEE ATTACHED---

**State of New York**  
**Department of State** } **SS:**

I hereby certify, that the Certificate of Incorporation of SPRINGBROOK NY, INC. was filed on 06/11/1924, under the name of UPSTATE BAPTIST HOME FOR CHILDREN, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 01/16/1951.

A Certificate of Amendment was filed on 10/04/1960.

A certificate changing name to UPSTATE HOME FOR CHILDREN, INC. was filed on 11/16/1971.

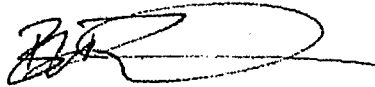
A certificate changing name to SPRINGBROOK NY, INC. was filed on 01/17/2006.

A Certificate of Amendment was filed on 11/15/2010.

I further certify that no other documents have been filed by such corporation.

\*\*\*

*Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 16th day of March  
two thousand and seventeen.*



Brendan W. Fitzgerald  
Executive Deputy Secretary of State



EXHIBIT D  
DETERMINATION LETTER

---SEE ATTACHED---

Internal Revenue Service

Department of the Treasury RECEIVED AUG 19 1991  
35 Tillary St., Brooklyn, NY 11201

District  
Director

Date: AUG 14 1991

Upstate Home For Children, Inc.  
R D 1, Box 155  
Oneonta, NY 13820-9801

Person to Contact:  
Clifton G. Belnavis  
Contact Telephone Number:  
(718) 780-4501  
EIN: 15-0539129

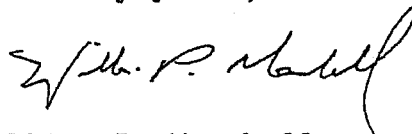
Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Upstate Home For Children, Inc.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,



William P. Marshall  
District Disclosure Officer

Name of Organization: Upstate Home For Children, Inc.

Date of Exemption Letter: April 1941

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii) of the Internal Revenue Code.

CINCINNATI OH 45999-0046

In reply refer to: 0223451321  
May 09, 2006 LTR 252C 0  
15-0539129 000000 00 000  
02475  
BODC: TE

SPRINGBROOK NY INC  
2705 STATE HWY 28  
ONEONTA NY 13820

15150

Taxpayer Identification Number: 15-0539129

Dear Taxpayer:

Thank you for the inquiry dated Mar. 21, 2006.

We have changed the name on your account as requested. The number shown above is valid for use on all tax documents.

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

Sincerely yours,

*James L. Fish*

James L. Fish, Manager  
Document Perfection Operations

Enclosure(s):  
Copy of this letter



F06011700/004

CERTIFICATE OF AMENDMENT  
OF

UPSTATE HOME FOR CHILDREN, INC.

FILED

2006 JAN 17 PM 3:19

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

100  
STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED JAN 17 2006  
TAX \$ BY: fmb

Filed By:

Liscock & Barclay, LLP  
One Park Place 300 South State Street  
Syracuse NY 13221

RECEIVED  
2006 JAN 17 PM 3:19  
D.C. -08  
AWDOWN

- ROUTINE
- 24 HOUR
- SAME DAY
- 2 HOUR

4

Otrego



# Exempt Organization Certificate

# ST-119

(8/02)

The organization named below is exempt from payment of the New York State and local sales and use tax.

The number shown on this certificate must be entered on any Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, presented to a vendor. If this certificate is lost or destroyed, you may obtain a replacement by notifying the Exempt Organizations Unit.

This certificate will remain in effect unless it is revoked or canceled. Misuse of the authority granted under this certificate will result in the revocation of exempt status and subject the organization to substantial civil and criminal penalties.

SPRINGBROOK NY INC  
2705 STATE HWY 28  
ONEONTA, NY 13820-9753

Certificate number
EX 125560
Date issued
June 01, 1971

**This certificate may not be altered, changed, lent, or transferred to another organization or person.**

EXHIBIT E

RESOLUTION OF BOARD OF DIRECTORS  
OF THE INSTITUTION

---SEE ATTACHED---

# SPRINGBROOK

105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
CHIEF EXECUTIVE OFFICER

## RESOLUTION #15-16 E

### RESOLUTION OF SPRINGBROOK NY, INC. DECLARING OFFICIAL INTENT IN CONNECTION WITH BONDS TO BE ISSUED BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

WHEREAS, Springbrook NY, Inc. (the "Borrower") proposes to undertake

- Parent Engagement Center (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Oneonta Campus Clinic (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Oneonta Campus Bathrooms (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Sidney and Oxford Renovations (the "Project") to be located at 245 Bird Avenue, Sidney, NY; 214 Johnston Circle, Sidney, NY; and 4346 County Route 32, Oxford, NY 13830; and
- Penthouse Replacement, ("the Project") to be located at 105 Campus Drive, Oneonta NY; and
- Penthouse Renovation, (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Norwich Renovation (the "Project") to be located at 5-9 West Main Street, Norwich, NY; and
- Oneonta Campus Renovation (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Oneonta Medically Frail House (the "Project") to be located in Oneonta, NY; and
- Oneonta Behavioral House (the "Project") to be located in Oneonta, NY; and
- Broome County IRA I (the "Project") to be located in Broome County, NY; and
- Broome County IRA II (the "Project") to be located in Broome County, NY; and
- White Building Renovation (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Network Infrastructure (the "Project") to be located at various Springbrook locations; and
- On-Campus Replacement House, ("the Project") to be located at 105 Campus Drive, Oneonta NY,


WHEREAS, the Borrower has paid, or intends to pay, certain original expenditures for the Project estimated at \$ 10,500,000 ("Project Costs"); and

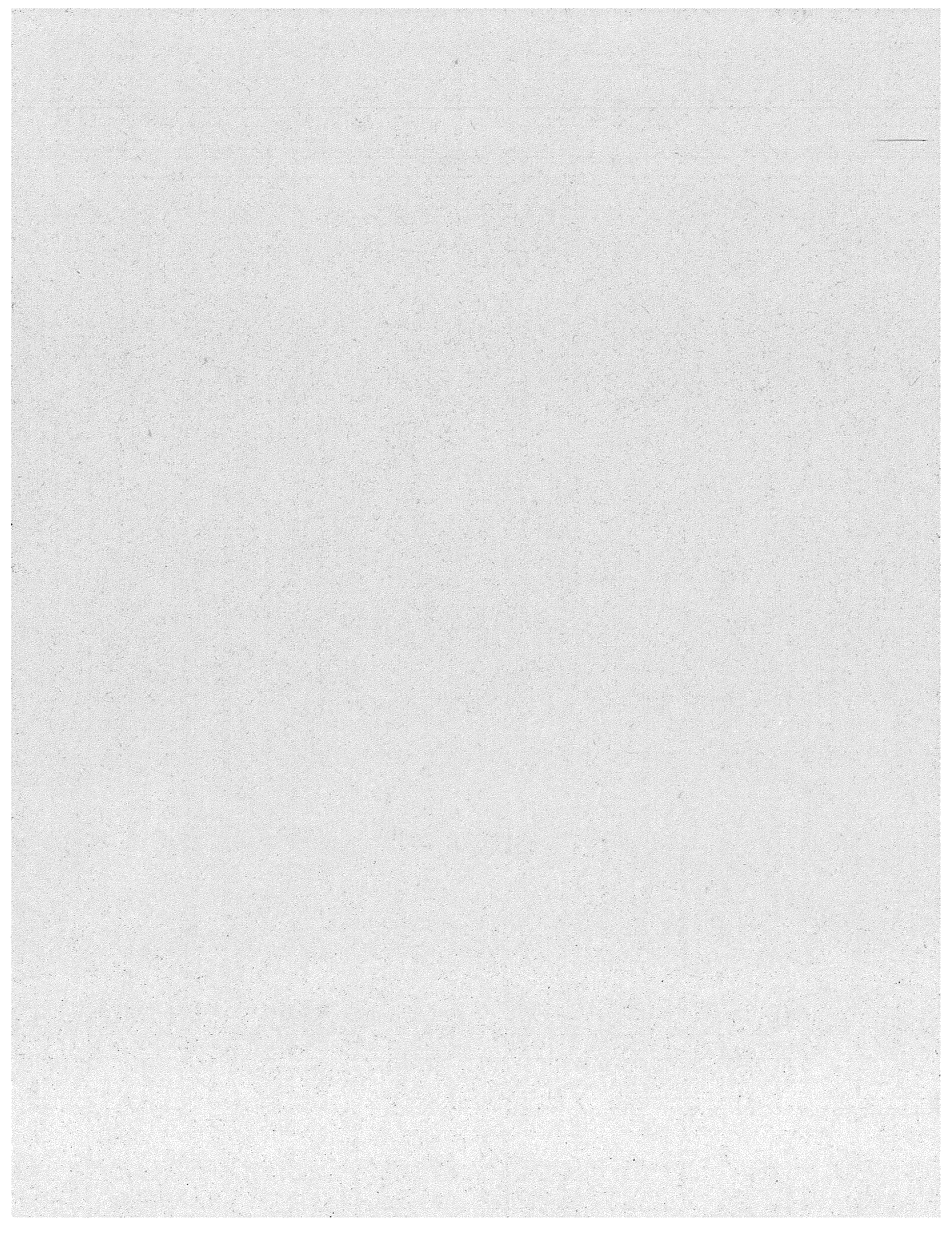
WHEREAS, the Borrower desires to (i) incur certain Project Costs, (ii) enter into negotiations with Otsego County Capital Resource Corporation (the "Issuer") to secure financing for the Project from proceeds of revenue bonds to be issued by the Issuer (the "Bonds"), and (iii) declare its intent to use the Bonds and the Borrower's equity including money received from capital campaigns and cash on hand to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower hereby resolves and declares its intent under Treasury Regulation § 1.150-2 to cause the Issuer to issue the Bonds and use its equity including money received from capital campaigns and cash on hand to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves, subject to the following conditions:

- a) The estimated maximum principal amount of the Bonds expected to be issued to finance the Project, including the amounts to be used to reimburse the expenditure of Project Costs which are paid prior to the issuance of the Bonds, is set at
- Parent Engagement Center (the "Project") at \$2,000,000
  - Oneonta Campus Clinic (the "Project") at \$1,375,000
  - Oneonta Campus Bathrooms (the "Project") at \$400,000
  - Sidney and Oxford Renovations (the "Project") at \$210,000
  - Penthouse Replacement, ("the Project") at \$1,375,000
  - Penthouse Renovation, (the "Project") at \$100,000
  - Norwich Renovation (the "Project") at \$200,000
  - Oneonta Campus Renovation (the "Project") at \$300,000
  - Oneonta Medically Frail House (the "Project") at \$700,000
  - Oneonta Behavioral House (the "Project") at \$700,000
  - Broome County IRA I (the "Project") at \$350,000
  - Broome County IRA II (the "Project") at \$400,000
  - White Building Renovation (the "Project") at \$600,000
  - Network Infrastructure (the "Project") at \$500,000
  - On-Campus Replacement House, ("the Project") at \$1,290,000
- b) Pending issuance of the Bonds, the Borrower may finance the Project with other funds which will be reimbursed with the proceeds of the Bonds, provided that (a) the Bonds shall not be used to reimburse any expenditure paid more than 60 days prior to the date this Resolution is adopted; (b) the Bonds shall not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds, or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and provided further that the limitations of this paragraph 2 shall not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation § 1.150-2(f).
- c) Issuance of the Bonds shall be subject to documentation acceptable to the officers of the Borrower and the Issuer providing for payment of principal, interest, and redemption price of the Bonds.
- d) This Resolution will take effect immediately.

IN WITNESS WHEREOF, I have hereunder set my hand on February 12, 2016.

  
Dr. Gerald Pondolfino  
Secretary  
Springbrook NY, Inc.



# SPRINGBROOK

105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
EXECUTIVE DIRECTOR

## RESOLUTION OF THE BOARD OF DIRECTORS OF SPRINGBROOK NY, INC. IN REGARD TO THE UNDERTAKING AND FINANCING OF A CERTAIN PROJECT

### SPRINGBROOK RESOLUTION #16-17 A

WHEREAS, the administration of Springbrook, NY, Inc. (the "Company"), has recommended that the Company undertake and complete a project (the "Project") consisting of the acquisition, construction, renovation and equipping of:

- Parent Engagement Center to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #1 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #2 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #3 to be located at 105 Campus Drive, Oneonta, NY; and
- White Building Renovation to be located at 105 Campus Drive, Oneonta, NY; and
- Oneonta Campus Renovation to be located at 5588 State Highway 7, Oneonta, NY; and
- Spencer Drive House to be located at 6 Spencer Drive, Oneonta, NY; and
- Network Infrastructure to be located at various Springbrook locations.

for the purpose of expanding its facilities for the provision of educational and clinical services for children and adults diagnosed with developmental disabilities and related activities; and

WHEREAS, the administration of the Company has determined to finance the acquisition, construction, renovation and equipping of the Project through the issuance by the Otsego County Capital Resource Corporation (the "Issuer") on behalf of the Company of revenue bonds in a principal amount not to exceed \$10,500,000.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Company as follows:

Section 1. Approval of Project. The Company is hereby authorized to undertake and complete the acquisition, construction, renovation and equipping of the Project.

Section 2. Approval of Borrowing. The Company is hereby authorized to undertake the financing of the Project through a borrowing by the Company from the Issuer through the issuance by the Issuer of its variable rate bonds (the "Bonds"). The borrowing shall be in a

principal amount, which, in the judgment of the officer of the Company identified in Section 6 hereof (hereafter referred to as the "Authorized Officer"), will be sufficient to pay the costs of the Project and to pay costs associated with the financing, but in no event in excess of \$10,500,000, plus all legal, Issuer fees, costs of issuance and other costs associated with the issuance of the Bonds (the "Issuance Costs"). The Authorized Officer of the Company is hereby authorized to approve the Issuance Costs payable in connection with the Bonds. A certification of the Authorized Officer as to the amount of such Issuance Costs shall be conclusive.

Section 3. Authorization of Financing Documents. Each Authorized Officer of the Company is authorized, in the name and on behalf of the Company, to negotiate, execute, deliver and/or approve the following and any other documents necessary to secure the borrowing in connection with the Project (collectively, the "Financing Documents"):

- (a) agreements for the purchase, construction, equipping and renovations included in the Project;
- (b) bond purchase and continuing covenants agreement with Citizens Funding Corp., as purchaser, and Citizens Bank, N.A., as purchaser's agent, providing for purchase of the Bonds;
- (c) a loan agreement or amendment to any existing loan agreement (together, the "Financing Agreement") with the Issuer which shall contain, among other things, provisions for the payment to the Issuer of amounts necessary to pay the principal of and interest on the Bonds, and for the pledging of security for the Bonds and the Company's obligations under the Financing Agreement;
- (d) consents to a supplemental indenture providing for the issuance of the Bonds;;
- (e) interest rate swap, cap and/or lock agreements with Citizens Bank, N.A. associated with the Bonds and the Company's obligations under the Financing Agreement and related schedules, credit annexes and confirmations with one or more counterparties and all further agreements required by such counterparties;
- (f) tax compliance agreements with the Issuer with such terms and conditions as required by bond counsel to the Issuer in connection with the tax-exempt status of the Bonds; and
- (g) all such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents as are necessary or appropriate to complete the Project, the issuance of the Bonds or to carry out the foregoing.

Section 4. Security. The Company will (if necessary or deemed advisable by the Authorized Officer of the Company) grant a mortgage or mortgages or security interests to secure the obligations of the Company relating to the Financing Documents. Each Authorized Officer of the Company is hereby authorized to execute and deliver such mortgages, security agreements and pledge agreements covering such portions of the real or personal property now or hereafter acquired by the Company as he or she deems necessary and appropriate together with any associated loan agreements, promissory notes, credit agreements, and uniform



commercial code financing statements which are necessary or desirable in connection with the borrowing and other transactions authorized by this resolution. The mortgages, security agreements, pledge agreements, and any promissory notes, loan agreements, credit agreements, or other agreements, which may be necessary shall be affected pursuant to a mortgage instrument or instruments or other appropriate documents which shall contain such terms and conditions as are customary in transactions of a similar kind.

Section 5. Further Authorization. Each Authorized Officer of the Company is authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby, including, without limitation, the creation of new bank accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Company with all the terms, covenants and provisions of the Financing Documents binding upon the Company. Notwithstanding any other provision of this resolution, each Authorized Officer of the Company shall have full authority and power on behalf and in the name of the Company to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the borrowing and other transactions authorized herein.

Section 6. Authorized Officer. The Chief Executive Officer, the Chief Operating Officer and the Director of Finance are each hereby authorized to negotiate, prepare, execute, deliver and approve, in the name and on behalf of the Company, the Financing Documents and any and all documents and other agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein. The execution and delivery by either Authorized Officer of the Financing Documents and other documents and agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein shall be conclusive evidence of such officer's approval thereof.

Section 7. Declaration of Intent. The Company hereby declares its official intent to finance the cost of the Project with proceeds of tax exempt obligations to be issued on behalf of the Company by the Issuer. This resolution is intended to constitute the declaration of the Company's "official intent" to reimburse expenditures in connection with the Project with proceeds of obligations issued for that purpose in accordance with Treasury Department Regulation §1.150-2.

Section 8. Effective Date. This resolution shall take effect immediately.

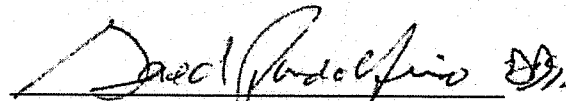
STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF OTSEGO    )

I, the undersigned, Secretary of Springbrook NY, Inc. (the "Company"), do hereby certify:

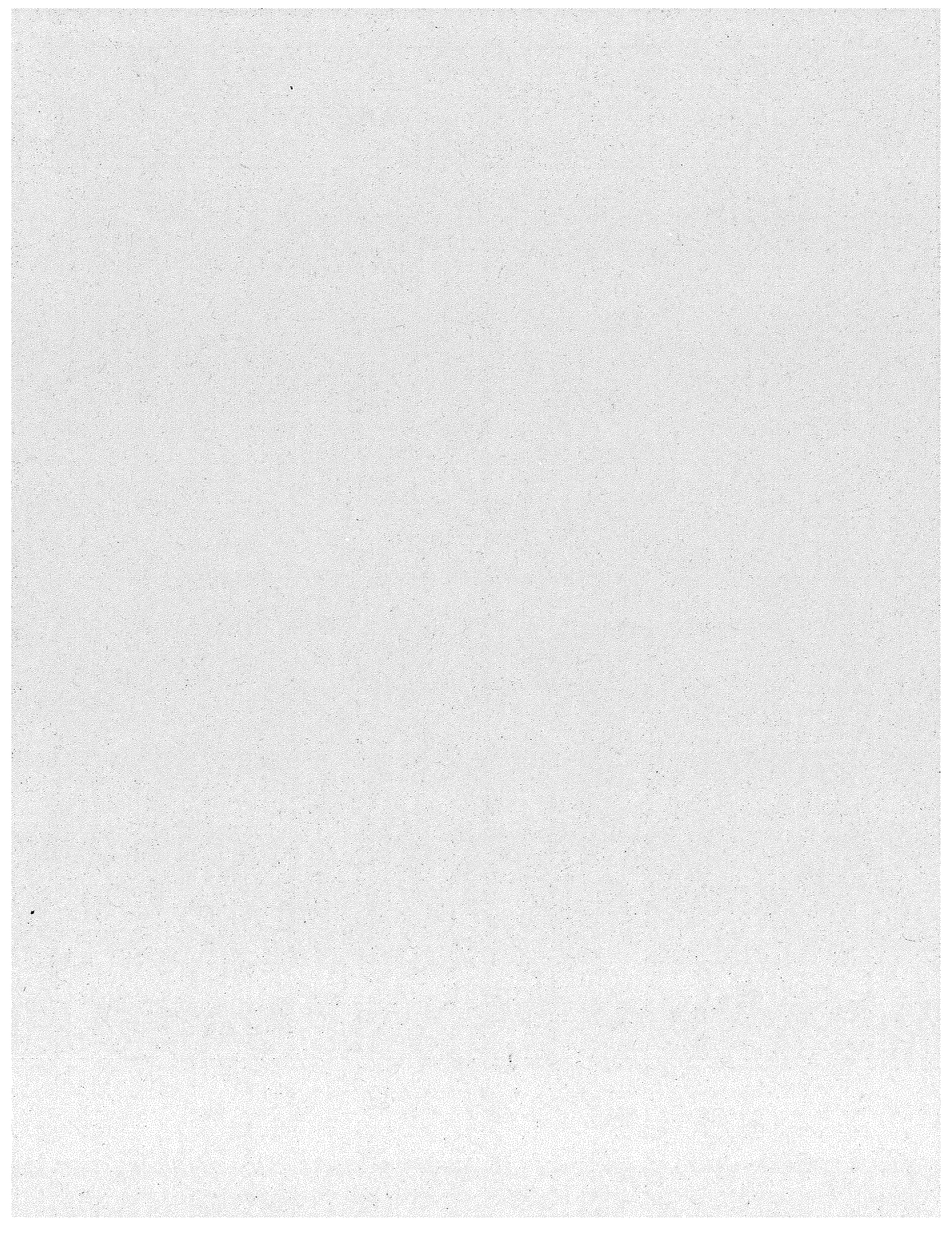
1. That I have compared the annexed resolution of the Board of Directors of the Company dated November 18, 2016, with the original thereof on file in my office and the same is a true and complete copy of the proceedings of the Board of Directors of the Company and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

2. I further certify that the attached resolution enacted by the Board of Directors of the Company amends Springbrook Resolution 15-16 E, dated February 12, 2016, and has not been amended or repealed, and is in full force and effect on and as of the date of this Certificate.

IN WITNESS WHEREOF, I have hereunder set my hand on November 18, 2016.



Dr. Gerald Pondolfinio  
Secretary  
Springbrook NY, Inc.



# **SPRINGBROOK**

105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
EXECUTIVE DIRECTOR

## **RESOLUTION OF THE BOARD OF DIRECTORS OF SPRINGBROOK NY, INC. IN REGARD TO THE UNDERTAKING AND FINANCING OF A CERTAIN PROJECT**

### **SPRINGBROOK RESOLUTION #16-17 C**

WHEREAS, pursuant to Resolution #15-16 E adopted by the Board of Directors of Springbrook NY, Inc. (the "Company") on February 12, 2016 ("Initial Resolution") and amended by Resolution #16-17 A adopted November 18, 2016 ("First Amended Resolution" and, together with the Initial Resolution, the "Prior Resolutions"), the Company was authorized to undertake and finance a project as more particularly described therein ("Original Project"); and

WHEREAS, the administration of the Company has recommended that the Company modify the Original Project as described in the Prior Resolutions to increase the number of houses and either utilize other sources of funding for or not pursue certain portions of the Original Project; and

WHEREAS, the Company will undertake and complete a project (the "Project"), as amended, consisting of the acquisition, construction, renovation and equipping of:

- On-Campus Replacement House #1 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #2 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #3 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #4 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #5 to be located at 105 Campus Drive, Oneonta, NY; and
- Network Infrastructure to be located at 105 Campus Drive, Oneonta, NY.

for the purpose of expanding its facilities for the provision of educational and clinical services for children and adults diagnosed with developmental disabilities and related activities; and

WHEREAS, the administration of the Company has determined to finance the acquisition, construction, renovation and equipping of the Project through the issuance by the Otsego County Capital Resource Corporation (the "Issuer") on behalf of the Company of revenue bonds in a principal amount not to exceed \$10,500,000.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Company as follows:

Section 1. Approval of Project. The Company is hereby authorized to undertake and complete the acquisition, construction, renovation and equipping of the Project.

Section 2. Approval of Borrowing. The Company is hereby authorized to undertake the financing of the Project through a borrowing by the Company from the Issuer through the issuance by the Issuer of its variable rate bonds (the "Bonds"). The borrowing shall be in a principal amount not to exceed \$10,500,000, which, in the judgment of the officer of the Company identified in Section 6 hereof (hereafter referred to as the "Authorized Officer"), will pay the costs of the Project and certain costs associated with the financing, legal, Issuer fees, costs of issuance and other costs associated with the issuance of the Bonds (the "Issuance Costs"). The Authorized Officer of the Company is hereby authorized to approve the Issuance Costs payable in connection with the Bonds. A certification of the Authorized Officer as to the amount of such Issuance Costs shall be conclusive. The Company is hereby authorized to pay any Issuance Costs that are not covered by or payable from the issuance of the Bonds.

Section 3. Authorization of Financing Documents. Each Authorized Officer of the Company is authorized, in the name and on behalf of the Company, to negotiate, execute, deliver and/or approve the following and any other documents necessary to secure the borrowing in connection with the Project (collectively, the "Financing Documents"):

- (a) agreements for the purchase, construction, equipping and renovations included in the Project;
- (b) bond purchase and continuing covenants agreement with Citizens Funding Corp., as purchaser, and Citizens Bank, N.A., as purchaser's agent, providing for purchase of the Bonds;
- (c) a loan agreement or amendment to any existing loan agreement (together, the "Financing Agreement") with the Issuer which shall contain, among other things, provisions for the payment to the Issuer of amounts necessary to pay the principal of and interest on the Bonds, and for the pledging of security for the Bonds and the Company's obligations under the Financing Agreement;
- (d) consents to a supplemental indenture providing for the issuance of the Bonds;;
- (e) interest rate swap, cap and/or lock agreements with Citizens Bank, N.A. associated with the Bonds and the Company's obligations under the Financing Agreement and related schedules, credit annexes and confirmations with one or more counterparties and all further agreements required by such counterparties, together with the retention of an outside consultant(s) in connection therewith;
- (f) tax compliance agreements with the Issuer with such terms and conditions as required by bond counsel to the Issuer in connection with the tax-exempt status of the Bonds; and

(g) all such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents and the retention of outside professionals as are necessary or appropriate to complete the Project, the issuance of the Bonds or to carry out the foregoing.

Section 4. Security. The Company will (if necessary or deemed advisable by the Authorized Officer of the Company) grant a mortgage or mortgages or security interests to secure the obligations of the Company relating to the Financing Documents. Each Authorized Officer of the Company is hereby authorized to execute and deliver such mortgages, security agreements and pledge agreements covering such portions of the real or personal property now or hereafter acquired by the Company as he or she deems necessary and appropriate together with any associated loan agreements, promissory notes, credit agreements, and uniform commercial code financing statements which are necessary or desirable in connection with the borrowing and other transactions authorized by this resolution. The mortgages, security agreements, pledge agreements, and any promissory notes, loan agreements, credit agreements, or other agreements, which may be necessary shall be affected pursuant to a mortgage instrument or instruments or other appropriate documents which shall contain such terms and conditions as are customary in transactions of a similar kind.

Section 5. Further Authorization. Each Authorized Officer of the Company is authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby, including, without limitation, the creation of new bank accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Company with all the terms, covenants and provisions of the Financing Documents binding upon the Company. Notwithstanding any other provision of this resolution, each Authorized Officer of the Company shall have full authority and power on behalf and in the name of the Company to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the borrowing and other transactions authorized herein.

Section 6. Authorized Officer. The Chief Executive Officer, the Chief Operating Officer and the Director of Finance are each hereby authorized to negotiate, prepare, execute, deliver and approve, in the name and on behalf of the Company, the Financing Documents and any and all documents and other agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein. The execution and delivery by either Authorized Officer of the Financing Documents and other documents and agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein shall be conclusive evidence of such officer's approval thereof.

Section 7. Declaration of Intent. The Company hereby ratifies and confirms its official intent set forth in the Initial Resolution to finance the cost of the Project with proceeds of tax exempt obligations to be issued on behalf of the Company by the Issuer. This resolution is intended to ratify and confirm the declaration of the Company's "official intent" set forth in the Initial Resolution to reimburse expenditures in connection with the Project with proceeds of

obligations issued for that purpose in accordance with Treasury Department Regulation §1.150-2.

Section 8. Effective Date. This resolution shall take effect immediately.

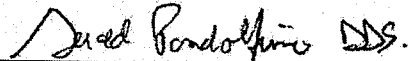
STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF OTSEGO    )

I, the undersigned, Secretary of Springbrook NY, Inc. (the "Company"), do hereby certify:

1. That I have compared the annexed resolution of the Board of Directors of the Company adopted February 9, 2017, with the original thereof on file in my office and the same is a true and complete copy of the proceedings of the Board of Directors of the Company and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

2. I further certify that the attached resolution enacted by the Board of Directors of the Company amends Springbrook Resolution 15-16 E adopted February 12, 2016 and Resolution 16-17 A adopted November 18, 2016, and has not been amended or repealed, and is in full force and effect on and as of the date of this Certificate.


IN WITNESS WHEREOF, I have hereunder set my hand on February 10, 2017.

 *Dr. Gerald Pondolfino DDS.*

\_\_\_\_\_  
Dr. Gerald Pondolfino  
Secretary  
Springbrook NY, Inc.



EXHIBIT F  
PENDING LITIGATION RELATING  
TO THE INSTITUTION



November | 2016

**Litigation Pending**  
Patricia Kennedy, CEO

Andrew Minet v. Springbrook

Summons received June 4, 2012; Philadelphia Insurance Investigator assigned. Claimant alleging on or around January 2000- March 2008, supervision was inadequate, resulting in plaintiff ingesting multiple foreign objects. Notice of Combined Demands on 8/27/13.

Deposition of Rob Vogel completed on 1/26/16. Further documentation and witnesses for deposition requested on 2/8/16 for submission on March 31<sup>st</sup>. Extensive information regarding all incidents, employee records, marketing material, staff schedules is being requested for the period 1995-2009.

Additional depositions of staff members Carol Krueger, Bobbie Martindale and Kim MacPherson completed on 4/14/16. A court date of 5/20/16 had been set.

**November 2016 Update:** The court date was moved to 11/17/16; however, another request for delay from the Plaintiff has been accepted.

SPRINGBROOK NY, INC.

TO

OTSEGO COUNTY CAPITAL RESOURCE  
CORPORATION

AND

MANUFACTURERS AND TRADERS TRUST COMPANY,  
AS TRUSTEE

---

TAX REGULATORY AGREEMENT

---

DATED MARCH 27, 2017

---

RELATING TO THE (A) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017A IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,550,000; (B) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017B IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$500,000; AND (C) TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BONDS (THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017C IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,450,000 ISSUED BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION.

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Tax Regulatory Agreement and is for  
convenience of reference only.)

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## TAX REGULATORY AGREEMENT

THIS TAX REGULATORY AGREEMENT made and dated March 27, 2017 (the "Tax Regulatory Agreement") from SPRINGBROOK NY, INC. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 2705 State Highway 28, Oneonta, New York, for the benefit of (A) OTSEGO COUNTY CAPITAL RESOURCE CORPORATION (the "Issuer"), a not-for-profit corporation of the State of New York having an office for the transaction of business located at 189 Main Street, Oneonta, New York, as issuer of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds") (the "Series 2017 Bonds"), and (B) MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at One M&T Plaza, 7<sup>th</sup> Floor, Buffalo, New York, as trustee (the "Trustee") under the Indenture (as hereinafter defined) for the holders from time to time of the Series 2017 Bonds;

### WITNESSETH:

WHEREAS, Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act") (A) authorizes any county to cause a not-for-profit local development corporation to be incorporated by public officers for, among other things, the public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest, (B) declares that in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, such corporations will be performing essential governmental functions, and (C) authorizes each such corporation to acquire real and personal property, to borrow money and issue negotiable bonds, notes and other obligations therefore, and to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine and otherwise carry out its corporate purposes in the territory in which the operations of such corporation are principally to be conducted; and

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives (the "Board of Representatives") of Otsego County, New York (the "County") adopted a resolution on October 1, 2008 (the "Sponsor Resolution") (A) authorizing the incorporation of the Issuer under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer; and

WHEREAS, on October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its

real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, on September 24, 2010, the Institution entered into a bond purchase agreement and reimbursement agreement dated as of September 1, 2010 (the "Initial Bond Purchase Agreement") between Citizens Bank, N.A., formerly known as RBS Citizens, N.A., (the "Bank") and the Institution, pursuant to which the Bank purchased the Issuer's Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A in the aggregate principal amount of \$25,200,000 (the "Initial Bonds") for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following: (A) (1) on a parcel of land comprising a portion of an approximately 120 acre parcel located at 2705 State Highway 28 in the Town of Milford, Otsego County, New York (the "Initial Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility consisting of an approximately 9,500 square foot addition for use as six new classrooms and an approximately 5,300 square foot addition for use as a kitchen and cafeteria (the "Addition"), (4) the further construction on the Land of three approximately 5,125 square foot, eight bedroom houses, and an approximately 10,000 square foot gymnasium (collectively, the "New Facility") (the Existing Facility, the Addition and the New Facility being sometimes hereinafter collectively referred to as the "Initial Facility"), (5) the acquisition and installation of various machinery and equipment therein and thereon (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility"), all of the foregoing to constitute the expansion of a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities and (6) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to improvements to academic, administrative and residential facilities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Obligations; (D) the granting of exemptions from mortgage recording taxes; and (E) the loan of the proceeds of the Initial Bonds by the Issuer to the Institution pursuant to the terms of a loan agreement dated as of September 1, 2010 (the "Initial Loan Agreement"); and

WHEREAS, the Initial Bonds were issued on September 24, 2010 under a resolution adopted by the members of the Issuer on September 2, 2010 (the "Initial Bond Resolution") and a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between the Issuer and the Trustee for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture (the "Additional Bonds," and collectively with the Initial Bonds, the "Bonds"); and

WHEREAS, simultaneously with the issuance of the Initial Bonds, the Institution, the Bank, Upstate Home for Children Foundation, Inc. (the "Guarantor") and the Issuer executed and delivered certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Loan Agreement, the "Initial Financing Documents"); and

WHEREAS, as security for the Initial Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2010 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Initial Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Initial Loan Agreement. Pursuant to the Initial Pledge and Assignment, loan payments made by the Institution under the Initial Loan Agreement are to be paid directly to the Trustee (other than during the Bank Purchase Rate Period); and



WHEREAS, as additional security for the Institution's obligations under the Initial Bond Purchase Agreement and the Initial Loan Agreement, the Institution executed and delivered to the Bank and the Issuer a mortgage dated as of September 1, 2010 (the "Mortgage") from the Institution to the Issuer and the Bank, which grants to the Issuer and the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility, and the Issuer has assigned its interest in the Mortgage to the Bank, and as security for the Initial Bond Purchase Agreement, a security agreement dated as of September 1, 2010 (the "Security Agreement") from the Institution to the Bank, which grants to the Bank, among other things, a security interest in the Initial Equipment; and

WHEREAS, on July 25, 2012, the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A in the original aggregate principal amount of \$2,500,000 (the "Series 2012A Bonds") under a resolution adopted by the members of the Issuer on March 22, 2012 (the "Series 2012A Bond Resolution") and a supplemental trust indenture dated as of July 1, 2012 (the "Series 2012A Supplemental Indenture") by and between the Issuer and the Trustee and pursuant to the terms of a supplement to bond purchase agreement and reimbursement agreement dated as of July 1, 2012 (the "Supplement," and together with the Initial Bond Purchase Agreement, being collectively referred to as the "2012A Bond Purchase Agreement") by and between the Bank and the Institution; and

WHEREAS, the Series 2017 Bonds were issued for the purpose of financing a portion of the costs of undertaking a project (the "Series 2012A Project") consisting of the following: (A) the acquisition of a 13.9 +/- acre parcel of land located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York (the "Land"), together with the existing building located thereon containing approximately 55,000 square feet of space (the "Facility" and together with the Land, being collectively referred to as the "Series 2012A Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount of approximately \$2,500,000 (the "Series 2012A Obligations"); (C) paying a portion of the costs incidental to the issuance of the Series 2012A Obligations, including issuance costs of the Series 2012A Obligations and any reserve funds as may be necessary to secure the Series 2012A Obligations; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from real estate transfer taxes and mortgage recording taxes (collectively with the Series 2012A Obligations, the "Series 2012A Financial Assistance"); and (E) the loan of the proceeds of the Series 2012A Obligations by the Issuer to the Institution; and

WHEREAS, in connection with the issuance of the Series 2012A Bonds, the Issuer executed and delivered (A) an amendment to the loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement") by and between the Issuer and the Institution, with the consent of the Trustee, (B) an amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment") from the Issuer to the Trustee; and

WHEREAS, as security for the for the Institution's obligations under the 2012A Bond Purchase Agreement, the Institution executed and delivered an amended and restated Security Agreement dated as of July 1, 2012 (the "Amended and Restated Security Agreement") from the Institution to the Bank; and

WHEREAS, in March, 2016, the Institution presented an additional application (the "Initial Series 2017 Application") to the Issuer, which Initial Series 2017 Application requested that the Issuer consider undertaking a project (the "Initial Series 2017 Project") consisting of the following: (A) the financing of a portion of the costs of (1) with respect to the Institution's main campus located at 105

Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Main Campus Land”) - (a) the construction of four buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the “Main Campus New Facility”) and (b) the renovation and reconstruction of various existing buildings and facilities (collectively, the “Main Campus Existing Facility”) and sometimes with the Main Campus New Facility, referred to as the “Main Campus Facility”) and (2) with respect to the Institution’s campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the “Oneonta Land”) (the Main Campus Land and the Oneonta Land being sometimes referred to as the “Initial Series 2017 Land”) - (a) the construction of an approximately 5,600 square foot building (the “Oneonta New Facility”), (b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the “Oneonta Addition,” and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the “Oneonta Facility”), and (c) the renovation and reconstruction of various existing buildings and facilities (collectively, the “Oneonta Existing Facility”), (3) the expansion and the making of improvements to the network infrastructure (collectively, the “Initial Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Initial Series 2017 Facility”) and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Initial Series 2017 Equipment”) (the Initial Series 2017 Land, the Initial Series 2017 Facility, the Initial Improvements, and the Initial Series 2017 Equipment being collectively referred to as the “Initial Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Series 2017 Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Initial Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Initial Series 2017 Obligations, including issuance costs of the Initial Series 2017 Obligations and any reserve funds as may be necessary to secure the Initial Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Initial Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in the resolution adopted by the members of the Issuer on March 3, 2016 (the “Series 2017 Public Hearing Resolution”), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the “Series 2017 Public Hearing”) in compliance with the requirements of Section 859-a of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Series 2017 Project and the financial assistance being contemplated by the Issuer with respect to the Initial Series 2017 Project, to be mailed on April 21, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Series 2017 Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on April 21, 2016 on a bulletin board located at the Oneonta Town Hall, 3966 NYS Highway 23 in the Town of Oneonta, Otsego County, New York, (C) caused notice of the Series 2017 Public Hearing to be published on April 23, 2016 in The Daily Star, a newspaper of general circulation available to the residents of the Town of Oneonta, Otsego County, New York, (D) conducted the Series 2017 Public Hearing on May 10, 2016 at 4:00 o’clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus located at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, and (E) prepared a report of the Series 2017 Public Hearing (the “Series 2017 Report”) which fairly summarized the views presented at the Series 2017

Public Hearing and distributed same to the members of the Issuer and to the Board of Representatives of Otsego County, New York (the “Board of Representatives”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Issuer on July 28, 2016 (the “SEQR Resolution”), the Agency (1) determined that the Initial Series 2017 Project constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA), (2) determined that the Initial Series 2017 Project will not have a significant effect on the environment, and (3) prepared a negative declaration with respect to the Initial Series 2017 Project; and

WHEREAS, by resolution dated June 1, 2016 (the “Series 2017 Public Approval”), the Board of Representatives approved the issuance of the Series 2017 Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, by resolution dated February 23, 2017, the Issuer approved the final form of the Initial Series 2017 Project description in an amended application (collectively with the Initial Series 2017 Application, the “Series 2017 Application”) consisting of the following (the “Series 2017 Project”): (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or Series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Series 2017 Obligations”); (C) paying a portion of the costs incidental to the issuance of the Series 2017 Obligations, including issuance costs of the Series 2017 Obligations and any reserve funds as may be necessary to secure the Series 2017 Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Series 2017 Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, the Issuer will now issue its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,850,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,150,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) for the purpose of financing a portion of the costs of the Series 2017 Project, which Series 2017 Bonds are to be issued under a resolution adopted by the members of the Issuer on July 28, 2016 (the “Series 2017 Bond Resolution”) and a supplemental trust indenture dated as of March 1, 2017

(the “Series 2017 Supplemental Indenture,” and collectively with the Initial Indenture, as supplemented by the Series 2012A Supplemental Indenture, the “Indenture”) by and between the Issuer and the Trustee; and

WHEREAS, the Series 2017 Bonds will be initially issued in the Bank Purchase Rate Mode pursuant to the terms of the Indenture, and the interest rate on the Series 2017 Bonds as initially issued will be the Bank Purchase Rate as determined by the Bank, as the administrative agent (the “Agent”) for the initial purchaser of the Series 2017 Bonds pursuant to the terms of the Indenture and a bond purchase agreement and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and among the Issuer, the Institution, Citizens Funding Corp. (the “Holder”) and the Agent; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2017 Bonds, the Issuer will execute and deliver an amendment to the loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and collectively with the Initial Loan Agreement, as amended by the Series 2012A Amendment to Loan Agreement, the “Loan Agreement”) by and between the Issuer and the Institution, with the consent of the Trustee, and certain other documents related to the Series 2017 Project and to the Series 2017 Bonds (collectively with the Indenture and the Loan Agreement, the “Series 2017 Financing Documents”); and

WHEREAS, pursuant to the terms of the Loan Agreement, (A) the Institution will agree, among other things, (1) to cause the Series 2017 Project to be undertaken and completed, and (2) to make certain loan payments to or upon the order of the Issuer, which loan payments shall include amounts equal to the debt service payments due on the Series 2017 Bonds, and (B) the Issuer will agree to loan the proceeds from the sale of the Series 2017 Bonds to the Institution; and

WHEREAS, as security for the Series 2017 Bonds, the Issuer will execute and deliver to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and collectively with the Initial Pledge and Assignment, as amended by the Series 2012A Amendment to Pledge and Assignment, the “Pledge and Assignment”) from the Issuer to the Trustee; and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement and the Loan Agreement, the Institution will execute and deliver to the Bank and the Issuer a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution and the Agent, which grants to the Bank, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Bank its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”); and

WHEREAS, as additional security for the Institution’s obligations under the Continuing Covenants Agreement, the Institution will execute and deliver to the Bank and the Issuer a certain security agreement, dated as of March 1, 2017 (the “Series 2017 Security Agreement”) by and between the Institution and the Agent, which grants to the Bank, among other things, a security interests in, among other things, the Series 2017 Project Facility; and

WHEREAS, the Institution's obligation (A)(1) to make all loan payments under the Loan Agreement and (2) to perform all obligations related thereto under the Continuing Covenants Agreement, and (B) the Issuer’s obligation to repay the Series 2017 Bonds will be further secured by a certain

guaranty dated as of March 1, 2017 (the “Series 2017 Guaranty of Foundation”) from the Guarantor to the Holder; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating thereto, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the “Series 2017 Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Series 2017 Information Return with the Internal Revenue Service, (B) the Institution will execute this tax regulatory agreement dated the date of delivery of the Series 2017 Bonds (the “Series 2017 Tax Regulatory Agreement”) relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Bank will execute a letter (the “Issue Price Letter”) confirming the issue price of the Series 2017 Bonds for purposes of Section 148 of the Code; and

WHEREAS, the Code, and the Department of Treasury Regulations promulgated with respect thereto (the “Treasury Regulations”), prescribe restrictions on, among other things, the Series 2017 Bonds, the activities of the Institution, the application of the proceeds of the Series 2017 Bonds and the earnings thereon and the use of the portion of the Series 2017 Project Facility intended to be financed or refinanced with the proceeds of the Series 2017 Bonds (the “Initial Tax-Exempt Project Facility”) in order that interest on the Series 2017 Bonds be and remain excludable from gross income for federal income tax purposes; and

WHEREAS, in order to ensure that the requirements of the Code are and will continue to be met, the Institution has determined to enter into this Tax Regulatory Agreement in order to set forth certain representations, intentions, conditions and covenants relating to, among other things, the Series 2017 Bonds, the activities of the Institution, the application of the proceeds of the Series 2017 Bonds and the earnings thereon and the use of the Initial Tax-Exempt Project Facility;

NOW, THEREFORE, in consideration of the issuance, sale and purchase of the Series 2017 Bonds and the mutual covenants and undertakings set forth in the Financing Documents (as defined in the Indenture) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Institution hereby represents, warrants and undertakes the following for the benefit of the Issuer, the Trustee and the holders from time to time of the Series 2017 Bonds, as follows:

ARTICLE I  
DEFINITIONS

SECTION 1.1. DEFINITIONS. (A) For purposes of this Tax Regulatory Agreement, initial capitalized terms used in this Tax Regulatory Agreement and the preambles hereto and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture and the Loan Agreement, unless the context or use herein indicates another or different meaning or intent.

(B) The following initial capitalized words and terms used in this Tax Regulatory Agreement shall have the respective meanings set forth below, unless the context or use herein indicates another or different meaning or intent:

“1954 Code” means the Internal Revenue Code of 1954, as amended.

“Aggregate Face Amount” means the sum of (A) the aggregate face amount of an issue of bonds determined in accordance with Section 145(b) of the Code, plus (B) all federally tax-exempt bonds which are aggregated with such issue of bonds pursuant to either Section 1.150-1(c) of the Treasury Regulations or Revenue Ruling 81-216.

“Annual Debt Service” means the scheduled amount of interest and amortization of principal payable for any Bond Year with respect to the Series 2017 Bonds Outstanding. For purposes of determining the debt service on the Series 2017 Bonds, there shall not be taken into account amounts scheduled with respect to any obligation (or portion thereof) that has been retired before the beginning of the Bond Year.

“Available Amount” shall have the meaning ascribed to such term in Section 1.148-6(d)(3)(iii) of the Treasury Regulations, which defines such term to include any amount that is available to the Institution for working capital expenditure purposes of the type financed by the Series 2017 Bonds, but excludes (A) proceeds of the Series 2017 Bonds, (B) a “reasonable working capital reserve”, as described in Section 1.148-6(d)(iii)(B) of the Treasury Regulations, and (C) “qualified endowment funds”, as described in Section 1.148-6(d)(iii)(C) of the Treasury Regulations.

“Available Construction Proceeds” shall have the meaning set forth in Section 148(f)(4)(C)(iv) of the Code, which includes, with respect to a Construction Issue, the Issue Price of the Construction Issue, increased by earnings on the Issue Price, earnings on amounts in any reasonably required reserve or replacement fund not funded from the Series 2017 Bonds, and earnings on all of the foregoing earnings, and reduced by the amount of the Issue Price in any reasonably required reserve or replacement fund and the Issuance Costs financed by the Series 2017 Bonds. Available Construction Proceeds shall not include payments received under a Purpose Investment and shall not include earnings on such payments. Unless an “X” is placed next to Item 5 on **Schedule O** attached hereto indicating that a Code Election has been made under Section 1.148-7(i)(2) of the Treasury Regulations to exclude investment earnings on any reasonably required reserve or replacement fund from Available Construction Proceeds for the purpose of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code, investment earnings on any reasonably required reserve or replacement fund will be included in Available Construction Proceeds for the purpose of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code. Unless an “X” is placed next to Item 8 on **Schedule O** attached hereto indicating that a Code Election has been made under Section 1.148-7(f)(2) and Section 1.148-7(i)(3) of the Treasury Regulations to determine investment earnings based upon the actual facts with respect thereto, rather than reasonable expectations, Available Construction Proceeds will include investment earnings as reasonably expected by the

Institution on the Closing Date relating to the Series 2017 Bonds for purposes of determining satisfaction of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code as of the end of each of the first three spending periods described therein.

“Average Economic Life” means the “average reasonably expected economic life” of the assets financed or refinanced with the proceeds of the Series 2017 Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Code, and shall be calculated (1) by taking into account the respective costs of the different assets forming part of the Series 2017 Project Facility, (2) determined as of the later of the date on which the Series 2017 Bonds are issued or the date on which the Series 2017 Project Facility is placed in service (or expected to be placed in service). Land shall not be taken into account (unless 25% or more of the Net Proceeds of the Series 2017 Bonds is to be used to finance or refinance land, in which case land shall be taken into account and treated as having an economic life of 30 years). The economic lives of such assets shall be determined by using the class life under the ADR system (Revenue Procedure 87-56) for property other than real property and guideline lives under Revenue Procedure 62-21 for real property. However, if the Institution can establish, on the basis of all the facts and circumstances of each case (as documented by a professional such as an appraiser or an engineer), that the economic lives of such assets are longer than the lives determined pursuant to the preceding sentence, then such assets may be assigned such longer economic lives accordingly.

“Average Maturity” means the “average maturity” of the Series 2017 Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Code.

“Bona Fide Debt Service Fund” means, with respect to the Series 2017 Bonds, a fund (which may include proceeds of the Series 2017 Bonds) that: (A) is used primarily to achieve a proper matching of revenues with principal and interest payments on the Series 2017 Bonds within each Bond Year; and (B) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of: (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth ( $1/12$ ) of the principal and interest payments on the Series 2017 Bonds for the immediately preceding Bond Year.

“Bond Year” means, with respect to the Series 2017 Bonds, each one (1) year period (the first and last Bond Years may be shorter periods) from the date on which the Series 2017 Bonds are issued to a date which ends at the close of business on the day selected by the Institution on behalf of the Issuer. If the Institution desired at the time of delivery of this Tax Regulatory Agreement to select a date for the end of each Bond Year, such desire is indicated in Item 1 of **Schedule O** attached hereto. If no date is selected by the Institution on behalf of the Issuer before the earlier of (A) the final Maturity Date of the Series 2017 Bonds or (B) the date that is five years after the Closing Date, then the Bond Years shall end on each anniversary of the Closing Date and on the final Maturity Date of the Series 2017 Bonds.

“Capital Expenditure” means a “capital expenditure” within the meaning of Section 1.150-1(b) of the Treasury Regulations, which includes any cost of a type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. For example, costs incurred to acquire, construct, or improve land, buildings, and equipment generally are Capital Expenditures. Whether an expenditure is a Capital Expenditure is determined at the time the expenditure is paid or incurred with respect to the property; future changes in law do not affect whether an expenditure is a Capital Expenditure.

“Closing Date” means, with respect to the Series 2017 Bonds, the date on which authenticated Series 2017 Bonds are delivered to or upon the order of the Bank and the first advance of the Bond is received therefor by the Trustee on behalf of the Issuer, intended to be the dated date of this Tax Regulatory Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account containing both Gross Proceeds of the Series 2017 Bonds and amounts in excess of \$25,000 that are not Gross Proceeds of the Series 2017 Bonds if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the funds or account. An open-ended regulated investment company under Section 851 of the Code, however, shall not be deemed to be a Commingled Fund.

“Computation Date” means each date on which a determination of the Rebate Amount for the Series 2017 Bonds is computed, intended to be each Installment Computation Date and the Final Computation Date.

“Computation Date Credit” means, as of each Computation Date, \$1,000 for each Bond Year during which there are unspent amounts allocated to the Gross Proceeds of the Series 2017 Bonds that are subject to the rebate requirement, and as of the Final Computation Date, \$1,000.

“Computation Period” means (A), with respect to the first Computation Period, the period commencing on the Closing Date and ending on the initial Installment Computation Date, which shall be a date which is not later than the fifth anniversary of the Closing Date, and (B), with respect to each subsequent Computation Period, the period commencing on the day immediately following the Computation Date for the immediately preceding Computation Period and ending on the next Computation Date, which shall be a date which is not later than the fifth anniversary of the Computation Date for the immediately preceding Computation Period.

“Construction Expenditures” means, except as otherwise provided, Capital Expenditures allocable to the cost of real property or constructed personal property. Construction Expenditures do not include expenditures for acquisitions of interests in land or other existing real property, unless the contract between the seller and the Institution requires the seller to build or install the property (e.g., a “turnkey contract”), but only to the extent that the property has not been built or installed at the time the parties enter into the contract. For purposes of this definition, “constructed personal property” means tangible personal property (or, if acquired pursuant to a single acquisition contract, properties) or so-called “specially developed computer software” if: (A) a substantial portion of the property or properties is completed more than six (6) months after the earlier of the date construction or rehabilitation commenced or the date the Institution entered into an acquisition contract; (B) based on reasonable expectations of the Institution, if any, or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to the Institution) could not have occurred within that six (6) month period; and (C) if the Institution itself builds or rehabilitates the property, not more than seventy-five percent (75%) of the capitalizable cost is attributable to property acquired by the Institution (e.g., components, raw materials, and other supplies). “Specially developed computer software” means any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed and is functionally related and subordinate to the real property or other constructed personal property. For purposes of this definition “real property” means land and improvements to land, such as buildings or other inherently permanent structures, including interests in real property; e.g., “real property” includes wiring in a building, plumbing systems, central heating or air-conditioning systems, pipes or ducts, elevators, escalators installed in a building, paved parking areas, roads, wharves and docks, bridges and sewage lines. For purposes of this definition, “tangible personal property” shall mean any tangible property other than real property, including interests in tangible personal property; e.g., “tangible personal property” includes machinery that is not a structural component of a building, subway cars, fire trucks, automobiles, office equipment, testing equipment, and furnishings.



“Construction Issue” means, for purposes of the 2-year construction exception to the rebate requirement described in Section 6.3(E)(4) of this Tax Regulatory Agreement, any issue that is not a Refunding Issue if: (A) the Issuer reasonably expects, based on the representations of the Institution, as of the date of issuance of the Series 2017 Bonds, that at least seventy-five percent (75%) of the Available Construction Proceeds of the issue will be allocated to Construction Expenditures for property owned by a governmental unit or a Tax-Exempt Organization; and (B) any Private Activity Bonds that are part of the issue are Qualified 501(c)(3) Bonds, as defined in Section 145 of the Code, or Private Activity Bonds issued to finance property to be owned by a governmental unit or a Tax-Exempt Organization. A leased or managed facility will be considered owned by a governmental unit or a Tax-Exempt Organization if: (1) the lessee makes an irrevocable election (binding on the lessee and all successors in interest under the lease) not to claim depreciation deductions or an investment credit with respect to such property; (2) the lease term is not more than eighty percent (80%) of the reasonably expected economic life of the property within the meaning of Section 147(b) of the Code; and (3) the lessee has no option to purchase the property other than at Fair Market Value (as of the time the option is exercised).

“Controlled Group” means a group of entities subject to “direct control” or “indirect control” by the same entity or group of entities, determined on the basis of all relevant facts and circumstances. For purposes of this definition, “direct control” exists if one entity or group of entities (the controlling entity) generally controls another entity or group of entities (the controlled entity) if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial: (1) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or (2) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. If a controlling entity controls a controlled entity, as described above, then for purposes of this definition, “indirect control” exists because the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities.

“Disposition Proceeds” shall have the meaning ascribed to such term in Section 1.141-12(c) of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, any amounts (including property, such as an agreement to provide services) derived from the sale, exchange, or other disposition of the Initial Tax-Exempt Project Facility, including but not limited to net proceeds of any insurance settlement or Condemnation award received by the Issuer, the Institution or the Trustee in connection with damage to or destruction of or the taking of part or all of the Initial Tax-Exempt Project Facility.

“Exempt Demand Deposit” means any obligation acquired with Gross Proceeds of the Series 2017 Bonds if (A) the obligation is a one-day certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR Part 344; and (B) the Institution in good faith attempts to comply with all the requirements of such program relating to the investment of the Gross Proceeds of the Series 2017 Bonds.

“Fair Market Value” means, when used in connection with an Investment, the fair market value of such Investment at the time it becomes a Nonpurpose Investment, determined pursuant to Section 1.148-5(d)(6) of the Treasury Regulations. **Schedule N** attached hereto contains a brief summary of the provisions of Section 1.148-5 and Section 1.148-6 of the Treasury Regulations that affect the determination of the Fair Market Value of Investments of the Gross Proceeds of the Series 2017 Bonds.

“Final Computation Date” means the earlier of the following dates: (A) the final Maturity Date of the Series 2017 Bonds; (B) if all Outstanding Series 2017 Bonds are redeemed prior to the final Maturity Date of the Series 2017 Bonds, the date of such redemption; or (C) the date on which the last Initial Bond is otherwise discharged.

“Fixed Yield Bond” means any obligation whose yield is fixed and determinable on the date of issue of the obligation using the assumptions and rules provided in Section 1.148-4(b) of the Treasury Regulations, or two Variable Yield Bonds whose aggregation would result in their treatment as a Fixed Yield Bond pursuant to Section 1.148-4(b)(5) of the Treasury Regulations.

“Fixed Yield Issue” means any issue of obligations if each obligation that is part of such issue is a Fixed Yield Bond.

“Future Value” means, with respect to an Investment, the future value of a Nonpurpose Payment or Nonpurpose Receipt, determined as of the end of any period using the economic accrual method, and equals the value of that Nonpurpose Payment or Nonpurpose Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the Series 2017 Bonds, using the same compounding interval and financial conventions used to compute that Yield.

“Gross Proceeds” shall have the meaning ascribed to such term in Section 1.148-1(b) of the Treasury Regulations which includes, for the Series 2017 Bonds, the following: (A) Proceeds of the Series 2017 Bonds; and (B) Replacement Proceeds of the Series 2017 Bonds.

“Guaranteed Investment Contract” means a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (e.g., a forward supply contract).

“Higher Yielding Investments” means any Investment Property which produces a Yield over the term of an issue which is materially higher than the Yield on the issue. For purposes hereof, “materially higher” shall have the meaning ascribed to such phrase in Section 1.148-2(d)(2) of the Treasury Regulations, which states that the Yield on any Investment is “materially higher” (A), generally, when it exceeds the Yield on the Series 2017 Bonds by more than one-eighth of one percent ( $1/8$  of 1%), (B), with respect to Program Investments, one and one-half percent ( $1\frac{1}{2}\%$ ), (C), with respect to Replacement Proceeds, when it exceeds one-thousandth of one percent ( $1/1000$  of 1%), and (D) with respect to Investments purchased for a yield restricted defeasance escrow, when it exceeds one-thousandth of one percent ( $1/1000$  of 1%).

“Hospital Facility” means a facility that: (A) is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or is accredited or approved by a program of the qualified governmental unit in which such institution is located if the Secretary of Health and Human Services has found that the accreditation of comparable approval standards of such qualified governmental unit are essentially equivalent to those of the JCAHO; (B) is primarily used to provide, by or under the supervision of physicians, to inpatients diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons; (C) has a requirement that every patient be under the care and supervision of a physician; and (D) provides twenty-four (24) hour nursing services rendered or supervised by a registered professional nurse and has a licensed practical nurse or registered nurse on duty at all times. The term “Hospital Facility” does not include rest or nursing homes, daycare centers, medical school facilities, research laboratories (other than required for diagnostic service for patients of the Hospital Facility), or ambulatory care facilities (e.g., surgicenters).

“Included Bonds” means any issue of bonds treated as part of the same issue as the Series 2017 Bonds pursuant to Section 1.150-1 of the Treasury Regulations and Revenue Ruling 81-216.

“Inducement Date” shall have the meaning ascribed to such term in Section 2.2(L) of this Tax Regulatory Agreement.

“Industrial Development Bond” means any bond which constitutes an industrial development bond as defined in Section 103(b)(2) of the 1954 Code.

“Initial Tax-Exempt Project Facility” means, collectively, all portions of the Series 2017 Project Facility financed or refinanced, in whole or in part, with proceeds of the Series 2017 Bonds.

“Installment Computation Date” means each date selected by the Institution as the end of each Computation Period, the first of which dates shall be no later than the fifth anniversary of the Closing Date, and each such succeeding date to be no later than the fifth anniversary of the previous Installment Computation Date.

“Interim Computation Date” shall have the meaning ascribed to such term in Section 6.3(D)(2) of this Tax Regulatory Agreement.

“Interim Computation Period” shall have the meaning ascribed to such term in Section 6.3(D)(2) of this Tax Regulatory Agreement.

“Investment” means any (A) security (within the meaning of Section 165(g)(2)(A) or (B) of the Code), (B) obligation (other than a tax-exempt obligation the interest on which is also not treated as a preference item for purposes of calculating the alternative minimum tax imposed by Section 55 of the Code), (C) annuity contract within the meaning of Section 72 of the Code, (D) any residential rental property for family units located outside Otsego County, New York or (E) other investment-type property within the meaning of Section 148(b)(2) of the Code and Section 1.148-1(e) of the Treasury Regulations.

“Investment Proceeds” shall have the meaning ascribed to such term in Section 1.148-1(b) of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, amounts actually or constructively received from the investment of Gross Proceeds of the Series 2017 Bonds.

“Investment Property” shall have the meaning ascribed to such phrase in Section 148(b)(2) and (3) of the Code, which describe the same to mean any Investment. Except as provided herein, Investment Property shall not mean any federally tax-exempt bonds (except to the extent related to any hedge described in Section 1.148-1(e)(3) of the Treasury Regulations) or any Exempt Demand Deposit.

“IRS” means the Internal Revenue Service of the United States Department of the Treasury.

“Issuance Costs” shall have the meaning ascribed to such phrase in Section 147(g) of the Code and by H. Conf. Rep. No. 99-841, pp. II-729 through II-730, which describes the same to mean in general all costs incurred in connection with the issuance of the Series 2017 Bonds, including, but not limited to, underwriter’s spread, discount or fees, counsel fees (including bond counsel, underwriter’s counsel, Issuer’s counsel, Institution’s counsel and specialized counsel fees), financial advisor’s fees, rating agency fees, trustee fees, paying agent and certifying and authenticating agent fees, accountant fees, printing costs, costs incurred in connection with obtaining the required public approval for the issuance of the Series 2017 Bonds and costs of engineering and feasibility studies utilized in connection with the issuance and sale of the Series 2017 Bonds.

“Issue Price” shall have the same meaning given to such phrase in Sections 1273(b) and 1274 of the Code. In general, if the Series 2017 Bonds are offered to the public and are not issued for property, the Issue Price of the Series 2017 Bonds is determined on the basis of the initial offering price to the public

(i.e., ignoring the price at which the Series 2017 Bonds are sold to a bond house, broker, or similar person or organization acting in the capacity of an underwriter, Bank or wholesaler) at which price a substantial amount (defined as 10% by Section 1.148-1 of the Treasury Regulations) of each maturity of the Series 2017 Bonds was sold to the public, subject to further rules as set forth in Section 1.148-1(b) of the Treasury Regulations. If the Series 2017 Bonds are privately placed, the Issue Price of the Series 2017 Bonds is determined on the basis of the price paid by the first buyer of the Series 2017 Bonds.

“Listed Agreements” means the leases and management and operating agreements and research agreements affecting the Initial Tax-Exempt Project Facility listed on **Schedule M** attached to this Tax Regulatory Agreement.

“Minor Portion” means the lesser of (A) five percent (5%) of the Sale Proceeds of the Series 2017 Bonds or (B) \$100,000.

“Net Proceeds” means, with respect to any issue of bonds, the Proceeds of such issue, reduced by amounts in a reasonably required reserve or replacement fund.

“Net Proceeds of the Series 2017 Bonds” means the sum of (A) the Sale Proceeds of the Series 2017 Bonds, (B) minus the proceeds of the Series 2017 Bonds (if any) invested in a reasonably required reserve or replacement fund, plus (C) the amount of Investment Proceeds expected to accrue on the Sale Proceeds of the Series 2017 Bonds. For purposes of calculating the Net Proceeds of the Series 2017 Bonds, no reduction shall be made for Issuance Costs.

“Net Sale Proceeds” means Sale Proceeds less amounts invested in a reasonably required reserve or replacement fund and as part of the Minor Portion.

“Non-Exempt Person” means any person (including the United States or any agency or instrumentality thereof), except (A) any state or local governmental unit, as defined in Section 1.103-1 of the Treasury Regulations, or any instrumentality thereof and (B) any Section 501(c)(3) Organization.

“Nonpurpose Investment” shall have the meaning ascribed to such phrase in Section 148(f)(6) of the Code, which describes the same to be any Investment Property which is acquired with the Gross Proceeds of the Series 2017 Bonds and which is not a Purpose Investment.

“Nonpurpose Payment” means any payment with respect to a Nonpurpose Investment allocated to the Series 2017 Bonds, and includes: (A) the amount of Gross Proceeds actually or constructively used to acquire the Nonpurpose Investment (not including brokerage commissions and similar fees which are not separately stated or which are not qualified administrative costs as provided in Section 1.148-5(e)(2)(iii) of the Treasury Regulations and administrative expenses related to general overhead costs, legal and accounting fees, recordkeeping, custody or similar expenses except with respect to certain commingled funds and regulated investment companies as provided in Section 1.148-5(e)(2)(ii) of the Treasury Regulations); (B) for a Nonpurpose Investment that is first allocated to the Series 2017 Bonds on a date after it is first acquired (e.g., an Investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or becomes subject to the rebate requirement on a date after it is first acquired (e.g., an Investment allocated to a reasonably required reserve or replacement fund for a Construction Issue at the end of the 2-year spending period), the Value of such Nonpurpose Investment; (C) for a Nonpurpose Investment that was allocated to the Series 2017 Bonds as of the end of the preceding Computation Period, the Value of such Nonpurpose Investment at the beginning of the Computation Period; (D) any payment of the Rebate Amount by the applicable due date following a Computation Date (reduced by any recovery of overpayments of the Rebate Amount); (E) any applicable Computation Date

Credit; and (F) yield reduction payments made pursuant to Section 1.148-5(c) of the Treasury Regulations.

“Nonpurpose Receipt” means any receipt with respect to a Nonpurpose Investment allocated to the Series 2017 Bonds, and includes: (A) any amount actually or constructively received with respect to the Nonpurpose Investment (including amounts treated as received from a Commingled Fund), such as earnings and return of principal; (B) for a Nonpurpose Investment that ceases to be allocated to the Series 2017 Bonds before its disposition or redemption date (e.g., a Nonpurpose Investment that becomes allocable to Transferred Proceeds of another issue or ceases to be allocable to the Series 2017 Bonds pursuant to the Universal Cap under Section 1.148-6 of the Treasury Regulations) or that ceases to be subject to the rebate requirement on a date earlier than its disposition or redemption date (e.g., an Investment allocated to a fund initially subject to the rebate requirement but that subsequently qualifies as a Bona Fide Debt Service Fund), the Value of that Nonpurpose Investment on that date; and (C) for a Nonpurpose Investment that is held at the end of a Computation Period, the Value of that Nonpurpose Investment at the end of that Computation Period.

“Plain Par Bond” means (A) a qualified tender bond or (B) a bond (1) issued with not more than two percent (2%) original issue discount or premium, (2) the Issue Price of which does not include interest other than Pre-Issuance Accrued Interest, (3) that bears interest from the issue date at a single, stated fixed rate or that is a variable rate instrument, in each case with interest unconditionally payable at least annually, and (4) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

“Plain Par Investment” means an Investment that is an obligation (A) issued with no more than two percent (2%) original issue discount or premium, or if acquired on a date other than the issue date, acquired with no more than two percent (2%) market discount or premium, (B) issued for an Issue Price of which does not include accrued interest other than Pre-Issuance Accrued Interest, (C) that bears interest from the issue date at a single, stated fixed rate or that is a variable rate instrument, in each case with interest unconditionally payable at least annually, and (D) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

“Pledged Funds” shall have the meaning ascribed to such term in Section 1.148-1(c)(3) of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, any amount that is directly or indirectly pledged by the Institution or any other substantial beneficiary of Series 2017 Bonds to pay principal or interest on the Series 2017 Bonds, and any amount held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the Holders of the Series 2017 Bonds or a guarantor of the Series 2017 Bonds. Under certain circumstances, an amount subject to a “negative pledge” or a liquidity covenant may be treated as “replacement proceeds”. A pledge can take any form if the substance of the arrangement is that there is a reasonable assurance that the amount will be available to pay principal of or interest on the Series 2017 Bonds if the Institution encounters financial difficulties, even if it is not reasonably expected that such amounts will be used to pay debt service on the Series 2017 Bonds; a pledge to a guarantor is, for this purpose, an indirect pledge to secure payment of principal of and interest on the Series 2017 Bonds. Under Section 1.148-1(c)(3)(ii) of the Treasury Regulations, an amount is treated as a Pledged Fund if held under an agreement to maintain such amount at a particular level for the direct or indirect benefit of bondholders or any guarantor of the Series 2017 Bonds, unless: (A) the Institution may grant rights in such amount that are superior to the rights of the bondholders or such guarantor; or (B)(1) such amount does not exceed reasonable needs for which it is maintained; (2) the level is tested no more frequently than every six months; and (3) such amount may be spent without substantial restriction other than replenishment by the next testing date. Section 1.148-1(c) of the Treasury Regulations provides that replacement proceeds” will arise to the extent that the Series 2017 Bonds are outstanding longer than necessary.

“Pre-Issuance Accrued Interest” means amounts representing interest that accrued on an obligation for a period not greater than one year before its issue date, but only if such amounts are paid within one year after the issue date.

“Preliminary Expenditures” shall have the meaning given such term in Section 1.150-2(f)(2) of the Treasury Regulations, which describes the same to include architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that are incurred prior to the commencement of construction or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

“Present Value” means, with respect to an Investment, the present value of such Investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the Yield on the Series 2017 Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from and payments to be paid for such Investment after that date, using the Yield on such Investment as the discount rate.

“Principal User” shall have the meaning of such phrase as used in Section 144(a)(2)(B) of the Code and any Treasury Regulations or rulings promulgated thereunder. Pursuant to Section 1.103-10(h)(1) of the proposed Treasury Regulations (as published on February 21, 1986 at page 6274 of the Federal Register), a “principal user” is defined as any Person who is a “principal owner”, a “principal lessee”, a “principal output purchaser”, or an “other principal user”, all as defined below:

(A) A “principal owner” is a Person who, at any time, holds more than a ten percent (10%) ownership interest (by value) in the facility in question, or, if no Person holds more than a ten percent (10%) ownership interest, then the Person (or Persons in the case of multiple equal owners) who holds the largest ownership interest in such facility. Co-owners or co-lessees who are collectively treated as a partnership subject to subchapter K under Section 761(a) of the Code are not treated as Principal Users merely by reason of their partnership interests.

(B) A “principal lessee” is any Person who at any time leases more than ten percent (10%) of the facility in question, as determined by reference to the fair rental value of the portion of such facility so leased.

(C) A “principal output purchaser” is any Person who purchases the output or products of an electric or thermal energy, gas, water or other similar facility, unless the total output purchased by such Person during each one-year period beginning with the date the facility is placed in service is ten percent (10%) or less of the facility’s total output during each such period.

(D) An “other principal user” is a Person who enjoys a use of the facility in question (other than a short-term use) in a degree comparable to the enjoyment of a principal owner or a principal lessee, taking into account all the relevant facts and circumstances, such as the Person’s participation in the control over use of the facility or its remote or proximate geographic location.

The IRS has in the past interpreted the phrase Principal User to include, among other Persons, the following:

- (1) the owner or purchaser of the facility in question;

(2) any Person using ten percent (10%) or more of the space in the facility in question (as measured as a percentage of the square footage of the noncommon use space);

(3) any Person paying ten percent (10%) or more of the fair rental value of the facility in question, or from which more than ten percent (10%) of the annual revenues attributable to such facility for any year are derived;

(4) a principal customer of whatever is produced at the facility in question (the IRS has found that a Person may be a Principal User of a facility, even though not an occupant, if, pursuant to a contractual obligation, such Person takes a substantial portion of the goods or services produced at such facility);

(5) any Person who both enjoys the primary use of the facility in question and directly or indirectly constitutes the primary source of payment of either the principal of or interest on any tax-exempt bond issued with respect to such facility; or

(6) a lessor of the facility in question having a reversionary interest in such facility.

It should be noted that there may be more than one Principal User of a facility. The ten percent (10%) gross rent test is applied annually, and a Person may qualify as a Principal User in one year but not in other years. For example, a Person may conceivably qualify as a ten percent (10%) tenant before a facility is fully rented but not afterwards. In that case, for purposes hereof, that tenant should be considered a Principal User, because that tenant may qualify in one year even though that tenant may not be includable in that category in other years. Application of the ten percent (10%) annual rent test entails numerous complexities relating, among other matters, to tax reimbursements and other escalation charges and common area maintenance payments (all of which should be counted as rent) as well as to contingent rents.

“Prior Issue” means an issue of obligations all or a portion of the principal, interest or call premium on which is paid or provided for with proceeds of a Refunding Issue. A Prior Issue may be issued before, at the same time or after a Refunding Issue. If the refunded and unrefunded portions of a Prior Issue are treated as separate issues under Section 1.148-9(i) of the Treasury Regulations, for the purposes for which that section applies, except to the extent that the context clearly requires otherwise, references to a Prior Issue refer only to the refunded portion of that prior issue.

“Private Activity Bond” shall have the meaning ascribed to such phrase in Section 141 of the Code which describes the same to mean any obligation issued by any state or political subdivision as part of an issue which satisfies either of the two tests set forth below:

(A) (1) more than ten percent (10%) of the proceeds of such issue are to be used directly or indirectly in any Private Business Use; and

(2) the payment of the principal of or interest on more than ten percent (10%) of the proceeds of such issue is (under the terms of such issue or any underlying arrangement), directly or indirectly:

(a) secured by any interest in property used or to be used for a Private Business Use or in payments in respect of such property, or

(b) to be derived from payments in respect of property, or borrowed money, used or to be used for a Private Business Use; or

(B) the proceeds of such issue which are to be used (directly or indirectly) to make or finance loans to Persons other than governmental units exceed the lesser of:

- (1) five percent (5%) of such proceeds, or
- (2) \$5,000,000.

“Private Business Use” means use (directly or indirectly), other than as a member of the general public, in a trade or business carried on by any Non-Exempt Person, subject to the exceptions for use not exceeding 200 days, 100 days and 50 days pursuant to Section 1.141-3(c)(3), (d)(3)(i) and (d)(3)(ii), respectively, of the Treasury Regulations. For purposes of this definition, (A) any activity carried on by a Person other than a natural person shall be treated as a trade or business, and (B) activities of the Institution (or any other Test-Period Beneficiary) that constitute an unrelated trade or business within the meaning of Section 513(a) of the Code shall constitute Private Business Use.

“Proceeds” means, with respect to the Series 2017 Bonds, any (A) Sale Proceeds of the Series 2017 Bonds; (B) Investment Proceeds of the Series 2017 Bonds; (C) Transferred Proceeds of the Series 2017 Bonds; and (D) Disposition Proceeds of the Series 2017 Bonds. Proceeds shall not include amounts actually or constructively received with respect to a Purpose Investment to the extent such amounts are properly allocated to administrative costs recoverable under Section 1.148-5(e) of the Treasury Regulations or to the immaterially higher yield under Section 1.148-2(d) of the Treasury Regulations or Section 143(g) of the Code. For purposes of the preceding sentence, a Purpose Investment that is a Tax-Exempt Bond shall not be treated as tax-exempt.

“Program” means the Issuer’s program for providing Financial Assistance to not-for-profit corporations located in Otsego County, New York (including the Institution) in the development, renovation, expansion and refinancing of their facilities in Otsego County, New York.

“Program Investment” shall have the meaning set forth in Section 1.148-1(b) of the Treasury Regulations.

“Project Facility”; for purposes of this Tax Regulatory Agreement, means the Series 2017 Project Facility.

“Purchase Price” means, with respect to an Investment, the cost of such Investment (without regard to transaction costs incurred in acquiring, carrying, selling or redeeming such Investment) at the time it was acquired or allocated to the Series 2017 Bonds, or the Fair Market Value at the time such Investment becomes a Nonpurpose Investment.

“Purpose Investment” means any Investment that is allocated to Gross Proceeds of the Series 2017 Bonds and that is acquired in order to carry out the governmental purpose of the Series 2017 Bonds, including a Program Investment. Purpose Investments do not include: (A) any temporary Investment until the Proceeds of the Series 2017 Bonds are needed for the Series 2017 Project, (B) any Investment that is acquired in order to fund a reserve or replacement fund, or (C) any other Investment if the principal purpose for acquiring the Investment is to earn arbitrage.

“Qualified Administrative Costs” means, with respect to Nonpurpose Investments, reasonable direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Institution or the Issuer, such as employee salaries and



office expenses and costs associated with computing the Rebate Amount under Section 148(f) of the Code, are not Qualified Administrative Costs. Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs set forth above, incurred by a publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code) and a widely held commingled fund in which no investor owns more than ten percent (10%) of the beneficial interest in the fund. A broker's commission or similar fee paid with respect to the acquisition of a Guaranteed Investment Contract or Investment purchased for a yield restricted defeasance escrow is **not** a Qualified Administrative Cost to the extent that the commission exceeds the lesser of (A) \$30,000 or (B) two-tenths of one percent (0.2 percent) of the "computational base", or, if more, \$3,000 (as such dollar amounts are adjusted pursuant to Section 1.148-5(e)(2)(iii)(B)(3) through (6) of the Treasury Regulations). For the Series 2017 Bonds, the Institution on behalf of the Issuer may not treat more than \$85,000 in brokers' commissions or similar fees with respect to all Guaranteed Investment Contracts and Investments purchased for a yield restricted defeasance escrow purchased with proceeds of the Series 2017 Bonds. For purposes of this definition, "computational base" shall mean (1) for a Guaranteed Investment Contract, the amount of Gross Proceeds of the Series 2017 Bonds that the Institution on behalf of the Issuer reasonably expects, as of the date the Guaranteed Investment Contract is acquired, to be deposited in the Guaranteed Investment Contract over the term of the Guaranteed Investment Contract, and (2) for Investments (other than Guaranteed Investment Contracts) to be deposited in a yield restricted defeasance escrow, the amount of Gross Proceeds of the Series 2017 Bonds initially invested in those Investments. Administrative costs other than Qualified Administrative Costs, as defined herein, generally do not increase the payments for, nor do they reduce receipts from, Nonpurpose Investments; Qualified Administrative Costs, on the other hand, do increase the payments for, and decrease the receipts from, the related Nonpurpose Investments.

"Qualified Administrative Costs" means (A) with respect to Purpose Investments which do **not** constitute Program Investments, (1) costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Investment, and (2) costs of issuing, carrying or repaying the issue, and any underwriters' discount, and (B) with respect to Purpose Investments which constitute Program Investments, costs of issuing, carrying or repaying the issue, and any underwriters' discount. Such Qualified Administrative Costs increase the payments for, and decrease the receipts from, the related Purpose Investment.

"Qualified Costs" means costs and expenses of the Series 2017 Project Facility, but specifically excluding costs and expenses for portions of the Series 2017 Project Facility to be used for activities constituting Private Business Use; provided, however, that (A) Issuance Costs shall not be deemed to be Qualified Costs; and (B) interest during the construction period for the Series 2017 Project Facility shall be allocated between Qualified Costs and other costs and expenses to be paid from Proceeds of the Series 2017 Bonds.

"Qualified 501(c)(3) Bond" shall have the meaning ascribed to such term in Section 145(a) of the Code, which describes the same to mean any Private Activity Bond which satisfies the following two tests:

(A) all property which is to be provided by the net proceeds of the issue is to be owned by a Section 501(c)(3) organization or a state or local governmental unit, and

(B) such bond would not be a Private Activity Bond if-

(1) Section 501(c)(3) organizations were treated as governmental units with respect to their activities which do not constitute unrelated trades or businesses, determined by applying Section 513(a) of the Code; and

(2) paragraphs (1) and (2) of Section 141(b) of the Code were applied by substituting “5 percent” for “10 percent” each place it appears therein and by substituting “net proceeds” for “proceeds” each place it appears therein.

“Qualified Guarantor” means any party which is not related to the Issuer, is not a co-obligor with respect to the Series 2017 Bonds, and which together with any related parties does not use more than ten percent (10%) of the Proceeds of the Series 2017 Bonds allocable to a Qualified Guarantee.

“Qualified Guarantee” means, with respect to any Initial Bond, an arrangement with a Qualified Guarantor which unconditionally shifts to the Qualified Guarantor substantially all of the credit risk to pay all or part of any payment of principal and interest or redemption price on such Initial Bond (or any payment of the tender price of such Initial Bond if such Initial Bond is a Tender Bond) that is actually and unconditionally due under the terms of such Initial Bond, and which otherwise meets the requirements of Section 1.148-4(f) of the Treasury Regulations.

“Qualified Hedge” means a qualified hedge as defined in Section 1.148-4(h)(2) of the Treasury Regulations.

“Qualified Hospital Bond” shall have the meaning ascribed to such term in Section 145(c) of the Code, which describes the same to mean any bond issued as part of an issue of Qualified 501(c)(3) Bonds ninety-five percent (95%) or more of the net proceeds of which issue of Qualified 501(c)(3) Bonds are used with respect to a Hospital Facility.

“Qualified Non-Hospital Bond” means any Qualified 501(c)(3) Bond which is not a Qualified Hospital Bond.

“Qualifying Rehabilitation Expenditures” shall have the meaning ascribed to the phrase “rehabilitation expenditures” in Section 147(d)(3) of the Code.

“Questionnaire” means the tax regulatory agreement questionnaire completed by the Institution at the request of Bond Counsel and submitted to Bond Counsel in connection with the issuance of the Series 2017 Bonds.

“Reasonable Retainage” means (A), in respect of the Eighteen (18) Month Exception to Rebate set forth in Section 6.3(E)(3) of this Tax Regulatory Agreement, an amount not to exceed five percent (5%) of Available Construction Proceeds as of the end of the third spending period, as described in the Eighteen (18) Month Exception to Rebate set forth in Section 6.3(E)(3) of this Tax Regulatory Agreement, and (B), in respect of the Two (2) Year Construction Bond Exception to Rebate set forth in Section 6.3(F)(4) of this Tax Regulatory Agreement, an amount not to exceed five percent (5%) of Available Construction Proceeds as of the end of the fourth spending period in respect of the Two (2) Year Construction Bond Exception to Rebate set forth in Section 6.3(F)(4) of this Tax Regulatory Agreement, that is retained for reasonable business purposes relating to the Initial Tax Exempt Project Facility, e.g., retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the Institution reasonably determines that a dispute exists regarding completion or payment.

“Rebate Amount” means the amount computed in accordance with Section 6.3 hereof.

“Rebate Fund” means the fund so designated established pursuant to Section 401 of the Indenture.

“Rebate Installment” means at least ninety (90%) percent of the Rebate Amount as of each Installment Computation Date.

“Refunding Issue” generally, means an issue of obligations the proceeds of which are used to pay principal, interest or redemption price on another issue (a Prior Issue), including the issuance costs, accrued interest, capitalized interest on the Refunding Issue, a reserve or replacement fund, or similar costs, if any, properly allocable to that Refunding Issue.

“Related Organization” means, with respect to any Test Period Beneficiary of the Initial Tax-Exempt Project Facility, any organization under common management or control with such Test Period Beneficiary.

“Related Person” means, with respect to any Principal User, (A) a Related Organization, (B) a member of the same Controlled Group, and (C) a person which is a related person as defined in Section 144(a)(3) of the Code by reference to Sections 267, 707(b) and 1563(a) of the Code, except that fifty percent (50%) is substituted for eighty percent (80%) for purposes of applying Section 1563(a).

“Replacement Proceeds” shall have the meaning ascribed to such term in Section 1.148-1(c) of the Treasury Regulations, which means amounts (excluding Proceeds of the Series 2017 Bonds) which have a sufficiently direct nexus to the Series 2017 Bonds or the Series 2017 Project to conclude that the amounts would have been used for the Series 2017 Project (including the expected use of amounts for the payment of debt service on the Series 2017 Bonds on a particular date) if the proceeds of the Series 2017 Bonds were not used for the Series 2017 Project. Replacement Proceeds include funds and amounts held by the Issuer, the Institution or a Related Person of either, in respect of the Series 2017 Bonds, including: (A) Sinking Funds; (B) Pledged Funds; and (C) other amounts which arise to the extent that the Institution reasonably expects as of the Closing Date that the term of the Series 2017 Bonds will be longer than reasonably necessary for the governmental purpose of the Series 2017 Bonds, and there will be Available Amounts during the period that the Series 2017 Bonds remain Outstanding longer than necessary, provided that Replacement Proceeds do not arise (1) for the portion of an issue (including a Refunding Issue) that is to be used to finance or refinance Capital Expenditures (plus related working capital expenditures to which the de minimis rule under Section 1.148-6(d)(3)(ii)(A) of the Treasury Regulations applies), if that portion has an Average Maturity that does not exceed 120% of the Average Economic Life of the financed Capital Expenditures, and (2) for the portion of an issue that is a Refunding Issue, if that portion has an Average Maturity that does not exceed the remaining Average Maturity of the Prior Issue, and the Prior Issue satisfied the foregoing provisions; and (D) amounts equal to funds deposited to a working capital reserve to the extent such reserve is financed, directly or indirectly, with the proceeds of the Series 2017 Bonds, unless all of the proceeds of the Series 2017 Bonds are spent no later than six (6) months after the Closing Date.

“Sale Proceeds” shall have the meaning ascribed to such term in Section 1.148-1(b) of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, amounts actually or constructively received from the sale of the Series 2017 Bonds, including amounts used to pay any underwriters’ discount or compensation, accrued interest (other than Pre-Issuance Accrued Interest), amounts derived from the sale of a right described in Section 1.148-4(b)(4) of the Treasury Regulations that is associated with the Series 2017 Bonds, and amounts received upon the termination of certain hedges as described in Section 1.148-4(h)(5) of the Treasury Regulations.

“Section 501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code which is exempt from tax under Section 501(a) of the Code.

“Sinking Fund” shall have the meaning ascribed to such term in Section 1.148-1(c)(2) of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund, to the extent that either the Issuer or the Institution reasonably expects to use such fund (directly or indirectly) to pay principal or interest on the Series 2017 Bonds.

“SLG” means a State and Local Government Series Security from the United States Department of the Treasury, Bureau of Public Debt, including a time deposit security issued by the United States Department of the Treasury pursuant to the Time Deposit State and Local Government Series Program described in 31 CFR Part 344.

“Tax-Exempt Project Facility” means the Initial Tax-Exempt Project Facility.

“Tender Bond” means a Variable Yield Bond that is subject to a tender right which enables or requires the holder to tender such obligation for purchase or redemption at par on at least one tender date prior to the final maturity date (plus accrued interest to the tender date if any); provided that all interest on such obligation accrues at a tender rate which is actually and unconditionally due at periodic intervals of one year or less. For purposes of the preceding sentence, interest accrues at a “tender rate” if, in the case of interest accruing to the first tender date, the interest rate is set on or after the sale date at the lowest rate that would enable an obligation to be marketed at par (plus accrued interest, if any) on its date of issuance and if, in the case of interest accruing for each period between tender dates (including the final period to maturity), the interest rate is required to be reset for such period under the terms of such obligation at the lowest rate that would enable the obligation to be remarketed at par (plus accrued interest, if any) at the beginning of the period.

“Tentative Transfer Date” means the tentative date on which proceeds of a Refunding Issue are expected to discharge any or all of the outstanding principal amount of a prior issue.

“Test Period Beneficiary” shall have the meaning ascribed to such term in Section 144(a)(10)(D) of the Code and Section 1.103-10(i)(3) of the Treasury Regulations and any other Treasury Regulations or rulings promulgated thereunder. A Test Period Beneficiary means, with respect to the Series 2017 Bonds, any Person who was, is or will be an owner or Principal User of the Initial Tax-Exempt Project Facility, or any Related Person to such owner or Principal User, at any time during the three-year period beginning on the later of (A) the date that the Initial Tax-Exempt Project Facility was or is placed in service, or (B) the date of issuance of the Series 2017 Bonds. Once a Person is a Test Period Beneficiary with respect to the Initial Tax-Exempt Project Facility, that Person will remain a Test Period Beneficiary for so long as the Series 2017 Bonds remain outstanding, regardless of the fact that such Person may no longer be an owner or Principal User of the Initial Tax-Exempt Project Facility or Related Person to either. However, a Related Person will be treated as a Test Period Beneficiary only if that Person is or becomes a Related Person at any time during the test period in which the Principal User in question was a Principal User of the Initial Tax-Exempt Project Facility and such Principal User has not ceased to be a Principal User at the time such other Person becomes a Related Person.

“Transferred Proceeds” shall have the meaning ascribed to such term in Section 1.148-9 of the Treasury Regulations, which includes, with respect to the Series 2017 Bonds, any amounts from any prior debt to be refinanced or refunded with proceeds of the Series 2017 Bonds that remain unexpended at the time that the principal of that refunded issue is paid from the proceeds of the Series 2017 Bonds.

“Treasury Regulations” means the income tax regulations promulgated by the Department of the Treasury from time to time, and includes regulations promulgated in final, temporary or proposed form.

“Universal Cap” means, with respect to the Series 2017 Bonds, as of any Valuation Date, the Value of all Outstanding Series 2017 Bonds. Nonpurpose Investments that otherwise would be Gross Proceeds of the Series 2017 Bonds are allocable to the Series 2017 Bonds only to the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of the Series 2017 Bonds does not exceed the Universal Cap. Nonpurpose Investments shall be valued as a Nonpurpose Receipt at their Value on each Valuation Date. For purposes of this definition, Nonpurpose Investments include cash and Investments the interest on which is not included in gross income for federal income tax purposes pursuant to Section 103 of the Code. All values are determined as of the close of business on each Valuation Date, after giving effect to all payments on bonds and payments for and receipts on Investments on that Valuation Date.

“Unqualified Costs” means any costs and expenses of the Initial Tax-Exempt Project Facility other than Qualified Costs.

“Valuation Date” means, with respect to the Series 2017 Bonds, the date on which the Universal Cap and the Value of the Nonpurpose Investments allocable to the Series 2017 Bonds thereunder are determined, including (A) the Tentative Transfer Date, (B) the beginning of the first Bond Year that commences after the second anniversary of the Closing Date and (C) the first day of each Bond Year subsequent thereto. With respect to a refunded issue and a Refunding Issue, each date on which proceeds of the refunded issue would become transferred proceeds of the Refunding Issue, e.g., each date on which principal of the refunded issue is paid with proceeds of the refunding bonds, shall constitute a Valuation Date.

“Value” means, on any particular date, (A) with respect to a bond, (1) in the case of a Plain Par Bond, (a) its outstanding stated principal amount, plus accrued unpaid interest on that date, or (b) in the case of a Plain Par Bond actually redeemed, or treated as redeemed, its stated redemption price on the redemption date, plus accrued unpaid interest, and (2) in the case of a bond other than a Plain Par Bond, (a) the value on a date of such a bond is its Present Value on that date, using the Yield on the issue of which such bond is a part as the discount rate, and (b) in determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the interest index or other interest rate setting mechanism is used to determine the interest payments on that bond, and (B) with respect to an Investment, (1) in the case of a Plain Par Investment, at the option of the Institution, the outstanding stated principal amount, plus accrued unpaid interest on that date, (2) in the case of a fixed rate Investment, at the option of the Institution, its Present Value on such date, (3) in the case of a yield restricted Investment, such Investment **must** be valued at its Present Value, and (4) except as provided in (B)(1) through (3) of this definition, an Investment must be valued at its Fair Market Value on the date that it is first allocated to an issue or ceases to be allocated to an issue as a consequence of a deemed acquisition or deemed disposition, except that this rule does not apply (i) to Investments in a Commingled Fund (other than a Bona Fide Debt Service Fund) and (ii) in cases in which such Investment transferred from one issue to another as a result of the transferred proceeds allocation rule under Section 1.148-9(b) of the Treasury Regulations (the value of a Nonpurpose Investment that is allocated to transferred proceeds of a Refunding Issue on a transfer date may not exceed the value of that Investment on the transfer date used for arbitrage restrictions applicable to the refunded issue) or the Universal Cap rule under Section 1.148-6(b)(2) of the Treasury Regulations, and such Investments may be valued at Present Value.

“Variable Yield Bond” means any Initial Bond that is not a Fixed Yield Bond.

“Variable Yield Issue” means any issue that is not a Fixed Yield Issue.

“Variable Rate Obligation” means any obligation the Yield on which, under the terms of the obligation, is adjusted periodically according to a prescribed formula such that the Yield over the term of the obligation cannot be determined on the date of original issuance using the assumptions and rules provided in Section 1.148-4(b) of the Treasury Regulations.

“Weighted Average Rate of Interest” of an obligation for any period means the total interest paid or deemed paid during such period divided by the product of (A) the principal amount of such obligation, and (B) the amount of time from the beginning of such period that the obligation is outstanding (expressed in percentage of years). Weighted Average Rate of Interest for two or more obligations for any period means the total interest paid or deemed paid during such period divided by the sum of the products described above.

“Yield” means “yield” as such term is described or defined in Section 148(h) of the Code and Section 1.148-1(b) of the Treasury Regulations, which provide that Yield generally means, with respect to a bond, that discount rate which, when used in computing the Present Value of all unconditionally payable payments of principal, interest and fees for a Qualified Guarantee paid and to be paid on the bond, produces an amount equal to the Present Value of the Issue Price on the bond. In the case of the Series 2017 Bonds, the Yield on the Series 2017 Bonds shall be determined on the basis of the issue price of the Series 2017 Bonds (within the meaning of Section 1273 and 1274 of the Code).

“Yield on a Fixed Yield Issue” means, as of any Computation Date, the discount rate that, when used in computing the Present Value as of the date of issue of the Fixed Yield Issue of all unconditionally payable payments of principal, interest and fees for Qualified Guarantees on the issue and amounts reasonably expected to be paid as fees for Qualified Guarantees on the issue, produces an amount equal to the Present Value, using the same discount rate, of all the Issue Prices of the bonds as of the date of issue. These payments also include certain amounts properly allocable to a Qualified Hedge. As set forth in Section 1.148-4(b)(1) of the Treasury Regulations, except in the case of the transfer, waiver, modification or similar transaction of any right associated with the bonds or entry by the Issuer into a Qualified Hedge with respect to the bonds, no unexpected event occurring subsequent to the date of issue of a Fixed Yield Issue is taken into account in computing the Yield on a Fixed Yield Issue.

“Yield on a Variable Yield Issue” means, during any Yield Period, the discount rate that produces the same Present Value (computed as of the first day of the Yield Period) when used in computing: (A) the Present Value of all the issue payments (determined as provided in Section 1.148-3(d) of the Treasury Regulations) in connection with the bonds that are part of the Variable Yield Issue that are attributable to the Yield Period; and (B) the Present Value of all the Issue Prices of the bonds issued as part of the Variable Yield Issue during the Yield Period.

“Yield Period” means, for a Variable Yield Issue, the first Yield Period which begins on the date of issue and ends at the close of business on the first Computation Date. Each succeeding Yield Period begins immediately after the close of business on a Computation Date and ends at the close of business on the next succeeding Computation Date. For purposes of determining the Yield Period for a Variable Yield Issue, the Issuer may elect pursuant to a Code Election indicated in Item 2 on **Schedule O** attached to this Tax Regulatory Agreement to treat the last day of any Bond Year that is not a Computation Date as a Computation Date.

SECTION 1.2. INTERPRETATION. In this Tax Regulatory Agreement:

(A) Unless the context otherwise requires, (1) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa; (2) words importing persons include firms,

associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons; (3) words importing the inclusion in gross income for federal income tax purposes of interest income on any of the Series 2017 Bonds shall not include the imposition of an alternative minimum or preference tax or environmental tax or branch profits tax on any Bondholder, in the calculation of which is included the interest on any of the Series 2017 Bonds; (4) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Tax Regulatory Agreement refer to this Tax Regulatory Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Tax Regulatory Agreement; and (5) words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number, and vice versa.

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

(C) This Tax Regulatory Agreement shall be governed by and construed in accordance with the applicable laws of the State.

(D) The table of contents and the headings of the several sections in this Tax Regulatory Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be construed as an interpretation of any provision of this Tax Regulatory Agreement.

(E) If any provision of this Tax Regulatory Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions hereof.

(F) This Tax Regulatory Agreement shall survive the purchase and sale of the Series 2017 Bonds. The obligations of the Institution to make payments required by Article VI hereof and all indemnities shall survive any termination or expiration of this Tax Regulatory Agreement and the payment of the Series 2017 Bonds.

SECTION 1.3. COVENANT WITH BONDHOLDERS. The Institution agrees that this Tax Regulatory Agreement is executed in part to induce the Bondholders to purchase the Series 2017 Bonds. Accordingly, all covenants, agreements, representations and warranties by the Institution herein are declared to be for the benefit of the Issuer and the Holders from time to time of the Series 2017 Bonds and may be enforced by either the Issuer and/or the Trustee on behalf of the Holders from time to time of the Series 2017 Bonds.

## ARTICLE II

### THE INSTITUTION AND THE SERIES 2017 PROJECT

SECTION 2.1. REPRESENTATIONS AND WARRANTIES REGARDING THE INSTITUTION. In consideration of the mutual covenants contained herein and in the Financing Documents, the Institution hereby makes the following representations and warranties:

(A) Organization; Authority; Conflicts; Liens. (1) The Institution is a not-for-profit corporation organized and existing under the laws of the State of New York, and is duly authorized to conduct its business in the State of New York and all other states where its activities require such authorization, has power to enter into this Agreement and the other Financing Documents to which the Institution is a party (the "Institution Documents"), and to use the Tax-Exempt Project Facility for the purposes set forth in this Tax Regulatory Agreement, and by proper action of its board of directors has authorized the execution and delivery of this Tax Regulatory Agreement and the other Institution Documents.

(2) The execution and delivery of this Tax Regulatory Agreement and the other Institution Documents to which the Institution is a party, the consummation of the transactions contemplated hereby and thereby, and the fulfillment of the terms and conditions hereof and thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Institution's organizational documents, any restriction or any agreement or instrument to which the Institution is now a party or by which the Institution is bound or to which any property of the Institution is subject, and do not and will not constitute a default under any of the foregoing, or, to the best of the Institution's knowledge, cause the Institution to be in violation of any order, decree, statute, rule or regulation of any court or any state or federal regulatory body having jurisdiction over the Institution or the Tax-Exempt Project Facility, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Institution contrary to the terms of any instrument or agreement to which the Institution is a party or by which the Institution is bound.

(B) Section 501(c)(3) Status. The Institution represents that (1) the Institution is an organization described in Section 501(c)(3) of the Code which is exempt from federal income taxation under the provisions of Section 501(a) of the Code, and is not a "private foundation", as that term is defined under Section 509(a) of the Code, (2) the Institution has received a letter or other notification to such effect from the IRS, (3) such letter or other notification has not been modified, limited or revoked, (4) the Institution is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification, (5) the facts and circumstances which form the basis of such letter or other notification as represented to the IRS continue to exist, and (6) the Institution is exempt from federal income taxes under Section 501(a) of the Code. The Institution agrees that the Institution will not perform any act or enter into any agreement which shall adversely affect such federal income tax status and that the Institution will conduct its operations in a manner which will conform to the standards necessary to qualify the Institution as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law. No proceedings are pending or, to the knowledge of the Institution, threatened which, if successful, would adversely affect the Institution's status as an organization described in Section 501(c)(3) of the Code, or which would subject any income of the Institution to federal income taxation to such extent as would result in the loss of its tax-exempt status under Section 501(a) of the Code or the loss of the exclusion of interest on the Series 2017 Bonds from the gross income of the Holders thereof for federal income tax purposes under Section 103 of the Code. The Institution is not, to its knowledge, currently under examination or audit by the IRS, nor has it



received written or oral notice from the IRS of a proposed examination or audit thereby, with respect to any tax fiscal year of the Institution.

(C) Evidence of Section 501(c)(3) Status. Attached hereto as **Exhibit II** is a letter from the IRS dated August 14, 1991, (1) indicating that the IRS has recognized the Institution as an organization described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code, and (2) indicating that the IRS has classified the Institution as an organization that is not a private foundation as defined in Section 509(a) of the Code.

(D) Maintenance of Section 501(c)(3) Status. (1) The Institution covenants that the Institution will maintain its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income taxation under Section 501(a) of the Code.

(2) The Institution will not merge into, or consolidate with, one or more corporations unless (a) the surviving corporation is an organization described in Section 501(c)(3) of the Code, and exempt from Federal income taxation under Section 501(a) of the Code, (b) such merger or consolidation will not adversely affect the validity of the Series 2017 Bonds or the exclusion of the interest on the Series 2017 Bonds from the gross income of the Holders thereof for purposes of federal income taxation under Section 103 of the Code and will not cause any of the Series 2017 Bonds to violate Section 145(b) of the Code, and (c) the surviving corporation agrees to comply with all terms of this Tax Regulatory Agreement.

(3) The Institution has not entered into and does not expect to enter into any business ventures, partnerships or joint ventures with for-profit organizations or entities (including business ventures in which the Institution is a member of any partnership or joint venture) which may adversely affect the exclusion of the interest on the Series 2017 Bonds from the gross income of the Holders thereof for purposes of federal income taxation under Section 103 of the Code.

(4) The Institution hereby represents and warrants that: (a) any affiliation agreements that the Institution has entered into or will enter into with other institutions, will not result in any portion of the proceeds of the Series 2017 Bonds being expended or otherwise used for the benefit of any such other institution; and (b) any agreements with fundraisers who assist the Institution in its fundraising efforts will not result in any portion of the proceeds of the Series 2017 Bonds being expended or otherwise used for the benefit of any such other institution.

(E) Ownership of the Initial Tax-Exempt Project Facility. The Institution expects that all portions of the Initial Tax-Exempt Project Facility will be owned by the Institution (as ownership is determined for purposes of federal income taxation) during the term of the Series 2017 Bonds (except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence, or depreciation in the ordinary course of business), unless the IRS shall have ruled, or the Institution shall have delivered to the Issuer and the Trustee an opinion of Bond Counsel, to the effect that the sale or other disposition of all or any part of the Initial Tax-Exempt Project Facility under other circumstances will not adversely affect the exclusion of the interest on the Series 2017 Bonds from the gross income of the Holders thereof for purposes of federal income taxation under Section 103 of the Code.

(F) Use of the Initial Tax-Exempt Project Facility. The Initial Tax-Exempt Project Facility will be occupied and used for activities directly related to the exempt purposes for which the Institution was created and for which the Institution is an organization exempt from taxation under Section 501(c)(3) of the Code, and not in connection with any unrelated trade or business within the meaning of Section 513(a) of the Code, (1) except as disclosed in **Schedule I** attached hereto or (2) unless the Institution first

receives an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income from federal income tax purposes of interest paid or payable on the Series 2017 Bonds. Any cafeterias, restaurants, gift shops, book or supply stores, or similar facilities which are part of the Initial Tax-Exempt Project Facility are, and will be, operated principally for students, staff, and visitors of the Institution, and the operation thereof shall be substantially related to the exempt purposes of the Institution, unless the Issuer and the Trustee receive an opinion of Bond Counsel satisfactory to the Issuer to the effect that the operation of such cafeteria, restaurant, gift shop, book or supply store or similar facility will not adversely affect the exclusion of interest on the Series 2017 Bonds from the gross income of the Holders thereof for Federal income tax purposes under Section 103 of the Code.

(G) Existing Leases and Agreements; Prohibition on Certain Uses of the Initial Tax-Exempt Project Facility. (1) All leases and management and operating agreements and research agreements affecting the Initial Tax-Exempt Project Facility (collectively, the “Listed Agreements”) are listed on **Schedule M** attached hereto. Except as disclosed in the Loan Agreement, in the Listed Agreements or in this Tax Regulatory Agreement, the Initial Tax-Exempt Project Facility will not, at any time while any of the Series 2017 Bonds are Outstanding, be owned, leased, managed or used by any entity other than the Institution or a state or local governmental unit or another organization described in Section 501(c)(3) of the Code which is exempt from federal taxation under Section 501(a) of the Code (and, if owned, leased, managed or used by another organization described in Section 501(c)(3) of the Code, no portion of the Initial Tax-Exempt Project Facility will be used in an activity carried on by such organization which is an “unrelated trade or business” of either the Institution or such organization, within the meaning of Section 513(a) of the Code), (a) except as disclosed in **Schedule I** attached hereto or (b) unless the Institution first receives an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income from federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(2) All existing uses of the Initial Tax-Exempt Project Facility which constitute an “unrelated trade or business” of either the Institution or another user of the Initial Tax-Exempt Project Facility (within the meaning of such quoted term contained in Section 513(a) of the Code), are listed on **Schedule I** attached hereto.

(H) Sale not Presently Contemplated. The Institution does not expect to sell or otherwise dispose of the Initial Tax-Exempt Project Facility, in whole or in part, while any of the Series 2017 Bonds are Outstanding. The Institution does not expect to sell or trade in any property as a result of the issuance of the Series 2017 Bonds or the acquisition, construction and installation of the Initial Tax-Exempt Project Facility.

(I) Future Conveyances. Except as provided in the Loan Agreement or herein, the Institution will not sell, lease, transfer, convey or otherwise dispose of the Initial Tax-Exempt Project Facility or any part thereof, without the prior written consent of the Issuer and the Trustee, which consent of the Issuer will not be unreasonably withheld or delayed. The Institution covenants that, prior to any sale or disposition (including the grant of a purchase option or a long-term leasehold interest) or lease or sublease of any portion of the Initial Tax-Exempt Project Facility, the Institution will furnish to the Issuer and the Trustee (1) a certificate stating that such sale, lease, sublease or other disposition is to (a) a state or local governmental unit or (b) an organization as to which there is a written IRS determination in force and effect that such organization is described in Section 501(c)(3) of the Code, whose use of the Initial Tax-Exempt Project Facility does not constitute an unrelated trade or business of either the Institution or such organization, determined by applying Section 513(a) of the Code, or (2) an opinion of Bond Counsel that such sale, lease, sublease or other disposition will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(J) Contracts for Management or Operation. Except as disclosed on **Schedule M** attached hereto, the Institution has not entered, and will not enter, into any contract for the management or operation of the Initial Tax-Exempt Project Facility by a Person other than a Related Person described in Section 501(c)(3) of the Code that does not conform to the guidelines set forth in **Schedule J** attached hereto.

(K) Use of the Initial Tax-Exempt Project Facility by Others. Item (1) of **Schedule F** attached hereto correctly sets forth the name, address and Federal Tax Identification Number of each Principal User of the Initial Tax-Exempt Project Facility. Item (2) of **Schedule F** attached hereto correctly sets forth the name, address and Federal Tax Identification Number of each Related Person to such Principal Users of the Initial Tax-Exempt Project Facility. Except as disclosed on **Schedule M** attached hereto, the Institution will not permit any use of the Initial Tax-Exempt Project Facility, whether by contract or otherwise, that does not conform to the guidelines set forth in **Schedule J**, **Schedule K** or **Schedule L** attached hereto. So long as the Series 2017 Bonds are outstanding, no more than five percent (5%) of the Net Proceeds of the Series 2017 Bonds, reduced by amounts of the Net Proceeds of the Series 2017 Bonds used for the payment of Issuance Costs, and no more than five percent (5%) of the Initial Tax-Exempt Project Facility have been and/or will be used for any Private Business Use. The Institution acknowledges that, if any portion of the Initial Tax-Exempt Project Facility (other than a portion financed with not more than five percent (5%) of the Net Proceeds of the Series 2017 Bonds, reduced by amounts of the Net Proceeds of the Series 2017 Bonds used for the payment of Issuance Costs) is used by a Non-Exempt Person but continues to be owned by the Institution or another Section 501(c)(3) Organization, then, in addition to any loss of tax exemption that may occur with respect to interest on the Series 2017 Bonds, the Institution or such other Section 501(c)(3) Organization owning the Initial Tax-Exempt Project Facility will be treated as using the Initial Tax-Exempt Project Facility in an unrelated trade or business with respect to such portion. The amount of gross income attributable to such portion of the Initial Tax-Exempt Project Facility for any period shall not be less than the fair rental value of such portion for such period. Any such change in use will result in the disallowance of deductions for interest payments on the Series 2017 Bonds with respect to the portion of the Initial Tax-Exempt Project Facility used in the unrelated trade or business for the period of such use.

(L) Research Requirements. Except as disclosed on **Schedule M** attached hereto, no portion of the Initial Tax-Exempt Project Facility is being or will be used for any research sponsored by a Person other than the Institution or a Related Person described in Section 501(c)(3) of the Code unless the research agreement meets the criteria set forth in Section 2 of **Schedule L** attached hereto.

(M) Changes in Project Description. The Institution will not substitute or add new projects for or to the Series 2017 Project unless the Institution first supplies to the Issuer and the Trustee an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(N) Replacement of Equipment. Notwithstanding anything to the contrary contained herein or in Section 2.2 hereof, in any instance after the Completion Date where the Institution determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, Section 4.1(A) of the Loan Agreement provides that the Institution may remove such item of Equipment and may sell, trade in, exchange or otherwise dispose of the same, as a whole or in part, without the prior written consent of the Issuer or the Trustee, provided that such removal will not materially impair the value of the Initial Tax-Exempt Project Facility as collateral and provided the same is forthwith replaced with similar items of Equipment, free from all Liens other than the Liens created by the Financing Documents. At the request of the Institution, the Issuer shall execute and deliver, and shall request the Trustee to execute and deliver, to the Institution all instruments necessary or appropriate to enable the Institution to sell or otherwise dispose of any such item of Equipment free from the Liens of the

Financing Documents. The Institution shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from the Liens of the Financing Documents any item of Equipment removed pursuant to such Section 4.1(A).

(O) Change in Use. The Institution understands that a change in use of the Initial Tax-Exempt Project Facility to a use not qualified for tax-exempt financing will result in both the loss of tax-exemption on interest paid or payable on the Series 2017 Bonds and the loss of income tax deductions for interest paid by the person making the nonqualified use of the Initial Tax-Exempt Project Facility. The Institution hereby covenants and agrees that before any “change in use” of the Initial Tax-Exempt Project Facility (within the meaning ascribed to such quoted term in Section 150(b) of the Code), the Institution shall first file with the Issuer and the Trustee an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Series 2017 Bonds. The Institution covenants that it will not do anything that would cause the change in use provisions contained in Section 150(b)(3) of the Code to become applicable to the Series 2017 Bonds, unless the Institution first receives an opinion of Bond Counsel that such change in use will not adversely affect the exclusion from gross income from federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(P) Solicitation of Funds. Neither the Institution nor any person acting on its behalf has solicited, or will solicit, any funds specifically to be used for the payment of the Costs of the Project expected to be paid directly or indirectly from the proceeds of the Series 2017 Bonds (except for funds used to pay the Institution’s equity contribution to the Series 2017 Project, if any). In the event that, subsequent to the date of issuance of the Series 2017 Bonds, the Institution receives funds from a grant, or gift, the use of which is restricted to paying Costs of the Project related to the Series 2017 Project, the Institution shall either (1) apply such funds to pay or reimburse Costs of the Project related to the Series 2017 Project which are not being paid directly or indirectly out of the proceeds of the Series 2017 Bonds or (2) deposit such monies into the Reserved Fund first, and then the Bond Fund and apply such monies to retire or redeem the Series 2017 Bonds (or a portion thereof) at the first available date.

(Q) Use of Excess Revenues. Any year-end excess of revenues over expenses of the Institution is, and will be, used for future operations of the Institution.

(R) Transactions with Employees. The Institution: (1) has not made or given, and will not make or give, loans or advances to or enter into any other transaction with the staff of the Institution or members of the governing board of the Institution bearing interest at less than a fair market interest rate or less than fair market value; (2) has not and will not enter into any compensation arrangement with any person which provides for unreasonable compensation in relation to the services performed by such person; (3) has not made, and will not make, purchases from or sales to persons in control of the Institution; and (4) has not used, and will not use, its funds to pay personal expenses of, and has not acted, and will not act, as guarantor for any loan made by banks (or other parties) to, staff of the Institution or members of the governing board of the Institution, unless the Institution has received an opinion of Bond Counsel that such action will not affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(S) No Religious Activity. The Institution imposes no religious qualifications on its employees or upon the clientele which the Institution serves, and no more than an insubstantial portion of the functions of the Institution are subsumed in any religious function. Furthermore, no portion of the Initial Tax-Exempt Project Facility will be utilized for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restrictions shall not prohibit the free exercise of any religion; and provided further that, if at any time hereafter, in the opinion of Bond

Counsel, the then applicable law would permit the Initial Tax-Exempt Project Facility or any portion thereof to be used without regard to any of the foregoing restrictions, then such restriction shall not apply to the Initial Tax-Exempt Project Facility.

(T) Output Purchasers. There is not any purchaser of the goods or services to be produced at the Initial Tax-Exempt Project Facility who, by contract, may or will purchase more than 10% of such goods or services. The Institution expects that all of the contracts entered into by the Institution with respect to the output from the Initial Tax-Exempt Project Facility will be on customary commercial terms, and that none of such contracts will be for a term exceeding 3 years.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES REGARDING THE SERIES 2017 PROJECT AND THE PROCEEDS OF THE SERIES 2017 BONDS. In consideration of the mutual covenants contained herein and in the Financing Documents, the Institution represents, warrants, covenants and agrees that:

(A) Description of the Project; Changes in the Project Description; Use of the Tax-Exempt Project Facility. (1) The description of the Series 2017 Project appearing in the recital clauses of this Tax Regulatory Agreement, and the description of the Tax-Exempt Project Facility appearing in **Schedule A** attached to this Tax Regulatory Agreement, are complete and accurate.

(2) The Institution will not substitute or add new projects for or to the Initial Tax-Exempt Project unless the Institution first supplies to the Issuer and the Trustee an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Series 2017 Bonds.

(3) The Series 2017 Project Facility will be used by the Institution as a facility for the provision of educational and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities.

(4) The Institution covenants to fund from sources other than the Net Proceeds of the Series 2017 Bonds the cost of that portion of the Series 2017 Project Facility, if any, used for Private Business Use that exceeds the maximum Private Business Use permitted under the Code. Any funds paid toward the Cost of the Project of the Series 2017 Project Facility from sources other than Net Proceeds of the Series 2017 Bonds will first be allocated to the cost of the portion of the Series 2017 Project Facility devoted to Private Business Use. For purposes of this Tax Regulatory Agreement, to the extent so allocated, the Initial Tax-Exempt Project Facility shall be deemed not to have Private Business Use.

(B) Amount of Proceeds of the Series 2017 Bonds. The Institution anticipates that the proceeds of the Series 2017 Bonds will total the following amount: (1) Sale Proceeds of the Series 2017 Bonds, being (a) the face amount of the Series 2017 Bonds (\$10,500,000.00), (b) minus original issue discount (\$0.00), (c) plus premium (\$0.00), (d) plus accrued interest from the dated date of the Series 2017 Bonds to the Closing Date relating thereto (\$0.00) equals (e) Sale Proceeds of the Series 2017 Bonds (\$10,500,000.00); plus (2) Transferred Proceeds of the Series 2017 Bonds (\$0.00), plus (3) Replacement Proceeds of the Series 2017 Bonds (\$0.00), plus (4) investment earnings thereon anticipated through the completion date of the Initial Tax-Exempt Project (\$0.00), minus (5) expected arbitrage rebate (\$0.00), equals (6) total proceeds of the Series 2017 Bonds (\$10,500,000.00).

(C) Use of Proceeds of the Series 2017 Bonds. **Schedule A** attached hereto contains a complete and accurate summary of the following information: (1) information regarding the costs of the Series 2017 Project; and (2) information regarding the amount of proceeds of the Series 2017 Bonds to be

used to fund Issuance Costs relating to the Series 2017 Bonds (not exceeding \$210,000.00). By way of summary, the total cost of various components of the Series 2017 Project, and the portion thereof to be financed or refinanced out of the proceeds of the Series 2017 Bonds, is estimated by the Institution as follows:

	COLUMN A	COLUMN B	COLUMN C
	<u>Description of Cost</u>	<u>Cost</u>	<u>Amount to be Financed out of Proceeds of the Series 2017 Bonds</u>
(1)	Construction of the Series 2017 Project Facility	\$9,000,000.00	\$9,000,000.00
(2)	Acquisition of the Equipment	\$500,000.00	\$500,000.00
(3)	Interest During Construction	\$198,000.00	\$198,000.00
(4)	Issuance Costs	\$209,267.26	\$209,267.26
(5)	Project Contingency	\$460,035.74	\$460,035.74
(6)	Other Closing Costs	\$132,697.00	\$132,697.00
(7)	<b>Total Project Costs</b>	<b>\$10,500,000.00</b>	<b>\$10,500,000.00</b>
(8)	Portion of line 7 total to be funded with Sale Proceeds of Series 2017 Bonds	\$10,500,000.00	\$10,500,000.00
(9)	Portion of line 7 total to be funded with Investment Proceeds of the Series 2017 Bonds	\$0.00	XXXXXXXXXX
(10)	Portion of line 7 total to be funded with equity provided by the Institution	\$0.00	XXXXXXXXXX
(11)	<b>TOTAL</b>	<b>\$10,500,000.00</b>	<b>\$10,500,000.00</b>

(D) NAICS. The North American Industry Classification System (NAICS) Code Number(s) for the Initial Tax-Exempt Project Facility, and the amount of the Sale Proceeds of the Series 2017 Bonds allocable with respect to each such NAICS Code Number, is as follows:

<u>NAICS Code Number</u>	Net Proceeds of the Initial Bonds allocable to such <u>NAICS Code Number</u>
624100	\$10,500,000.00

(E) Location. The Initial Tax-Exempt Project Facility, which was or is to be acquired as part of the Series 2017 Project being financed or refinanced with the Proceeds of the Series 2017 Bonds, is located entirely within Otsego County, New York. The elements of the Initial Tax-Exempt Project Facility are used in an integrated operation and operated as an integrated facility.

(F) Compliance with Code Section 145(d) (Residential Rental Property). (1) No portion of the proceeds of the Series 2017 Bonds will be used to finance or refinance the acquisition of existing residential rental property for family units as defined in Treasury Regulation Section 1.103-8(b)(4)(i) and Treasury Regulation Section 1.103-8(b)(8)(i) (i.e., a building or structure, together with any functionally related and subordinate facilities containing one or more similarly constructed units which are used other

than on a transient basis and which are available to members of the general public. Residential rental property is defined to comprise housing units which contain separate and complete facilities for living, sleeping, eating, cooking and sanitation).

(2) Notwithstanding the foregoing, proceeds of the Series 2017 Bonds may be used for the acquisition of any property (or any interest therein) to be used directly or indirectly to provide “residential rental property for family units” (within the meaning of such quoted phrase in Sections 145(d) of the Code), if such property meets the following tests:

(a) New Property. The first use of such property is pursuant to the Series 2017 Bonds (i.e., such property is new property); or

(b) Qualified Residential Rental Units. Such property meets the definition of a “qualified residential rental project”, as defined in Section 142(d) of the Code (i.e., 20% of such project is occupied by individuals whose income is 50% or less of area median gross income, or 40% of such project is occupied by individuals whose income is 60% or less of area median gross income); or

(c) Substantial Rehabilitation. Such property is to be substantially rehabilitated, as defined in Section 145(d)(4) and Section 47(c)(1)(C) of the Code (i.e., in a rehabilitation beginning within the 2-year period ending 1-year after the date of the date of acquisition of such property and costing the greater of \$5,000 or the adjusted basis of such building and its structural component).

(G) Compliance with Code Section 147(e). No portion of the Initial Tax-Exempt Project Facility consists of any airplane, skybox or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises within the meaning of Section 147(e) of the Code.

(H) Compliance with Code Section 147(g) (Issuance Cost). As indicated in Section 2.2(C), item (6), column C above, the Institution will not utilize more than two percent (2%) of the Sale Proceeds of the Series 2017 Bonds for the payment of Issuance Costs.

(I) Compliance with Code Section 149(d) (No Refunding). Except as described in Section 3.5 hereof and in **Schedule A** attached hereto, no portion of the proceeds of the Series 2017 Bonds will be used to refund any Private Activity Bond or Industrial Development Bond.

(J) Compliance with Code Section 149(g) (No Hedge). (a) At least 85% of the spendable proceeds of the Series 2017 Bonds will be spent on the Series 2017 Project within 3 years from the date of issuance of the Series 2017 Bonds.

(b) At no time will more than 50% of the Sale Proceeds and Investment Proceeds of the Series 2017 Bonds be invested in Nonpurpose Investments having a substantially guaranteed yield (within the meaning of Section 149(g)(3)(A)(ii) of the Code) for 4 years or more.

(K) Compliance with Code Section 150(b) (Change in Use). The Institution understands that a change in use of the Tax-Exempt Project Facility to a use not qualified for tax-exempt financing will result in both the loss of tax-exemption on bond interest and the loss of income tax deductions for interest paid by the person making the nonqualified use of the Tax-Exempt Project Facility. The Institution hereby covenants and agrees that, before any change in the use of the Tax-Exempt Project Facility, the Institution

shall first file with the Issuer and the Holder an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Bond.

(L) Compliance with Treasury Regulation 1.150-2 (Reimbursement). (1) Except as disclosed in **Schedule A** attached hereto, prior to a date which was 60 days preceding February 12, 2016, neither the Institution, any other Principal User of the Tax Exempt Project Facility, nor any Related Person to either, had a leasehold or other interest in any portion of the Tax Exempt Project Facility to be funded out of the Net Proceeds of the Series 2017 Bonds. Except as disclosed in **Schedule A** attached hereto, acquisition, construction and installation of any portion of the Tax-Exempt Project Facility comprising the Series 2017 Project Facility “commenced” more than 60 days prior to February 12, 2016, the date upon which the Institution took action declaring the official intent of the Institution to reimburse such expenditures relating to the Series 2017 Project Facility out of proceeds of debt obligations (an “Official Intent Declaration”) within the meanings ascribed to such quoted terms under Section 1.150-2 of the Treasury Regulations. A copy of the Official Intent Declaration is attached hereto as **Exhibit IV**.

(2) **Reimbursement**. Except as otherwise provided on **Schedule A** attached hereto, the Institution will not seek reimbursement from the proceeds of the Series 2017 Bonds for any expenditure made by the Institution with respect to the Series 2017 Project Facility prior to the earlier of 60 days prior to the Inducement Date or the date on which the Institution made the Official Intent Declaration:

(a) Official Intent. The expenditure to be reimbursed was not paid or incurred by the Institution (x) with respect to the Series 2017 Project Facility prior to the earlier of 60 days prior to the Inducement Date or the date on which the Institution made the Official Intent Declaration, unless such expenditure proposed to be reimbursed constitutes a “preliminary expenditure” (i.e., architectural, engineering, surveying, soil testing, and similar costs incurred prior to the commencement of construction of the portion of the Tax-Exempt Project Facility for which the preliminary expenditures were incurred) and does not exceed twenty percent (20%) of the aggregate issue price of the portion of the proceeds of the Series 2017 Bonds that finance or are reasonably expected to finance the acquisition, construction and installation of the portion of the Tax-Exempt Project Facility for which the preliminary expenditures were incurred, as provided in Section 1.150-2(f)(2) of the Treasury Regulations.

(b) Reimbursement Period. Such expenditure to be reimbursed was actually reimbursed out of proceeds of the Series 2017 Bonds (or out of proceeds of any prior debt to be reimbursed out of proceeds of the Series 2017 Bonds) within 18 months of the later of (x) the date that the original expenditure was made or (y) the date that the portion of the Tax-Exempt Project Facility for which the preliminary expenditures were incurred is first placed in service (but not later than three (3) years after the original expenditure is made).

(c) Expenditure Requirement. Such expenditure to be reimbursed is a Qualified Expenditure that constitutes (w) a Capital Expenditure, (x) an Issuance Cost of the Series 2017 Bonds (or any prior debt to be reimbursed out of proceeds of the Series 2017 Bonds), (y) an expenditure described in Section 1.148-6(d)(3)(ii)(B) of the Treasury Regulations (relating to certain extraordinary working capital items), or (z) a grant (as defined in Section 1.148-6(d)(4) of the Treasury Regulations).

Notwithstanding the foregoing provisions of this subsection, the Institution may seek reimbursement for an expenditure not described in this subsection if the Institution obtains a written opinion from Bond



Counsel to the effect that the proposed reimbursement will not, in and of itself, adversely affect the tax-exempt status of the interest paid or payable on the Series 2017 Bonds.

(M) Allocation of Proceeds of Other Amounts to Excess Private Business Use. The Institution covenants to fund from sources other than the Net Proceeds of the Series 2017 Bonds the cost of that portion of the Series 2017 Project Facility, if any, used for Private Business Use that exceeds the maximum Private Business Use permitted under the Code. Any funds paid toward the cost of the Series 2017 Project Facility from sources other than Net Proceeds of the Series 2017 Bonds will first be allocated to the cost of the portion of the Series 2017 Project Facility devoted to Private Business Use.

SECTION 2.3 TAX REGULATORY AGREEMENT QUESTIONNAIRE. The Institution represents that the information contained in the Institution's responses to the Questionnaire, together with all attachments to such responses, is, except to the extent modified by the information in this Tax Regulatory Agreement, true, accurate and complete in all material respects on the date hereof and there are no facts or circumstances which would cause such information to be materially inaccurate or incomplete.

## ARTICLE III

### USE OF THE PROCEEDS OF THE SERIES 2017 BONDS

SECTION 3.1. USE OF THE PROCEEDS OF THE SERIES 2017 BONDS. (A) The Series 2017 Bonds are being issued to provide funds to enable the Issuer to undertake the Series 2017 Project.

(C) The Institution hereby certifies and represents that the Institution reasonably expects that the total cost of the Series 2017 Project, the proceeds received from the sale of the Series 2017 Bonds, any other financing to be obtained with respect to the Initial Tax-Exempt Project Facility and the use of the proceeds of the Series 2017 Bonds and such other financing will be as described in Article II hereof and in **Schedule A** attached hereto.

SECTION 3.2. CERTIFICATION AS TO PROJECT COSTS. The Institution hereby certifies with respect to **Schedule A** and **Schedule B** attached hereto as follows:

(A) Costs of the Project. Excepting for proceeds of the Series 2017 Bonds used to fund Issuance Costs of the Series 2017 Bonds, all of the proceeds of the Series 2017 Bonds will be used to fund items constituting part of the Cost of the Project (as set forth in Section 3.3 of the Loan Agreement) relating to the acquisition, construction and installation of the Project Facility.

(B) Allocation of Proceeds of Other Amounts to Excess Private Business Use. Any funds paid toward the cost of the Series 2017 Project Facility from sources other than Net Proceeds of the Series 2017 Bonds will first be allocated to the cost of the portion of the Series 2017 Project Facility devoted to Private Business Use.

(C) No Delayed Issuance. Except as otherwise described in **Schedule A** attached hereto, no Property included in the Series 2017 Project Facility to be financed or refinanced with the proceeds of the Series 2017 Bonds was owned, acquired or constructed by the Institution, a Principal User of the Series 2017 Project Facility or any Related Person to either, or placed in service, whichever occurred later in time, more than eighteen months before the earlier to occur of the date of issuance of the Series 2017 Bonds.

(D) No Reimbursement. (1) Except as otherwise described in Section 2.2(L) hereof and on **Schedule A** attached hereto, (a) no Person who was a Substantial User of the Initial Tax-Exempt Project Facility (or a Related Person thereto) at any time during the five-year period preceding the date of issue of the Series 2017 Bonds and who will also be a Substantial User of the Initial Tax-Exempt Project Facility (or a Related Person thereto) at any time during the five-year period following the date of issue of the Series 2017 Bonds will receive, directly or indirectly, an amount equal to five percent (5%) or more of the face amount of the Series 2017 Bonds in payment for its interest in the Initial Tax-Exempt Project Facility, except to the extent that the Institution is reimbursed for items constituting the Cost of the Project paid or incurred in expectation of or pursuant to and not more than 60 days prior to the earlier of February 12, 2016 and (b) the acquisition, construction and installation of any portion of the Initial Tax-Exempt Project Facility financed or to be financed with the proceeds of the Series 2017 Bonds did not "commence" more than 60 days prior to the earlier of the Institution adopting the Official Intent Declaration as described in Section 2.2(L) hereof on February 12, 2016.

(2) Except as otherwise provided in Section 2.2(K) hereof and on **Schedule A** attached hereto, no Property included in the Initial Tax-Exempt Project Facility to be financed or refinanced with the proceeds of the Series 2017 Bonds was owned by the Institution, a Principal

User of the Initial Tax-Exempt Project Facility or any Related Person to either, or placed in service, whichever occurred later in time, more than one year before the date of issuance of the Series 2017 Bonds.

SECTION 3.3. AVERAGE ECONOMIC LIFE AND AVERAGE MATURITY OF THE SERIES 2017 BONDS; IRS FORM 8038. (A) General. The Average Economic Life of the various assets intended to be financed or refinanced with the proceeds of the Series 2017 Bonds and the expected Average Economic Life of the various assets financed with the proceeds of the Series 2017 Bonds are set forth in **Schedule D** attached hereto. **Schedule D** sets forth, for each asset to be financed or refinanced with the Series 2017 Bonds, its economic life based on Rev. Proc. 62-21 (1962-2 C.B. 418) (for real property), the Class Life Asset Depreciation Range midpoint life as set forth in Rev. Proc. 87-56 (for new property other than real property) or an appraisal (if an appraisal was used to establish the Average Economic Life of any of the assets included in the Series 2017 Project Facility, a copy of such appraisal is attached to **Schedule D**). If the cost of land financed or refinanced with the Sale Proceeds of the Series 2017 Bonds exceeds 25 percent of the aggregate amount of the Sale Proceeds of the Series 2017 Bonds, then such land shall be taken into account in the computation of Average Economic Life of the Series 2017 Bonds and shall be deemed to have an economic life of 30 years. If the cost of land financed or refinanced with the Sale Proceeds of the Series 2017 Bonds does not exceed 25 percent, it will not be taken into account in computing Average Economic Life of the Series 2017 Bonds and will be omitted from the list in Part (B) of **Schedule D**. Column D, Column E and Column F of **Schedule D** further set forth the adjusted economic life of each asset listed in **Schedule D**, taking into account the period of construction, reconstruction or acquisition from the date of issue of the Series 2017 Bonds or the period the asset was placed in service before the date of issue of the Series 2017 Bonds. The Average Maturity of the Series 2017 Bonds shown on **Schedule E** attached hereto does not exceed one hundred twenty percent (120%) of the Average Economic Life of the Series 2017 Project Facility, as shown on **Schedule D** attached hereto.

(B) IRS Form 8038. **Schedule C** attached hereto correctly sets forth the ACRS classifications of the various assets financed or to be financed or refinanced with the proceeds of the Series 2017 Bonds. The Institution hereby represents and warrants that, to the best of the Institution's knowledge, the information contained in the IRS Form 8038 attached hereto as **Exhibit I** is true and correct, including, but not limited to, the Average Maturity of the Series 2017 Bonds and the Average Economic Life of that portion of the Series 2017 Project Facility financed with the proceeds of the Series 2017 Bonds. The Institution shall cause Bond Counsel to file a copy of such Form 8038 with the IRS Center, Ogden, Utah 84201 as required by Section 149(e) of the Code.

SECTION 3.4. FINAL REQUEST FOR DISBURSEMENT. In connection with its final request for disbursement from the Project Fund, the Institution hereby covenants that it shall make all certifications and deliver all items required by Section 3.4 of the Loan Agreement.

SECTION 3.5. REFUNDING. No portion of the proceeds of the Series 2017 Bonds will be used to advance refund or currently refund any Prior Issue.

## ARTICLE IV

### THE \$150 MILLION LIMITATION

SECTION 4.1. \$150 MILLION LIMITATION REPRESENTATIONS. (A) General Rule. Section 145(b) of the Code provides, for expenditures incurred before August 5, 1997, that the aggregate authorized face amount of the portion of all outstanding tax-exempt obligations constituting Qualified Non-Hospital Bonds allocated to the Institution, any person who is or shall become an owner or principal user (within the meaning of Section 144(a)(10) of the Code) of the Initial Tax-Exempt Project Facility or any person which is under common management or control with or is a related person (within the meaning of Section 144(a)(3) of the Code) to such persons, may not exceed \$150,000,000 within the three year period beginning on the later of the Closing Date relating to the Series 2017 Bonds or the date the last of the facilities financed with the proceeds of any Prior Issue were placed in service.

(B) Representation that \$150 Million Limit Does Not Apply to the Series 2017 Bonds. The Institution represents and warrants that at least ninety-five percent (95%) of the Net Proceeds of the Series 2017 Bonds will be used to pay, or to reimburse the Institution for the payment of, Capital Expenditures incurred after August 5, 1997, and accordingly that the \$150 million limit set forth in Section 145(b) of the Code does not apply to the Series 2017 Bonds.

## ARTICLE V

### COMPOSITE ISSUES AND FEDERAL GUARANTEES

SECTION 5.1. COMPOSITE AND OTHER ISSUES. As indicated on **Schedule F** attached hereto, the Institution hereby represents and warrants:

(A) Aggregated Issues. **Schedule F** correctly sets forth a true and accurate listing of all tax-exempt obligations which are aggregated with the Series 2017 Bonds pursuant to Revenue Ruling 81-216 and Section 1.150-1(c) of the Treasury Regulations. Except for the issues listed under item (3) on **Schedule F** attached hereto, there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia, which constitute Private Activity Bonds and which are:

- (1) to be sold at substantially the same time as the Series 2017 Bonds;
- (2) to be sold pursuant to the same plan of financing with the plan of financing of the Series 2017 Bonds; and
- (3) reasonably expected to be paid from substantially the same source of funds, determined without regard to guarantees from unrelated parties.

For purposes of this Section 5.1, obligations are considered sold on the earlier of the date a commitment letter or a purchase agreement is executed.

(B) Larger Issue. The Series 2017 Bonds are not issued as part of a larger issue where such larger issue contains any other obligations, the interest on which is excluded from gross income under any provision of federal law.

(C) Aggregate Face Amount of the Series 2017 Bonds. **Schedule F** accurately sets forth the computation of the Aggregate Face Amount of the Series 2017 Bonds.

SECTION 5.2. FEDERAL GUARANTEES. Except to the extent permitted by Section 149(b)(3) of the Code, the Institution represents that neither (A) payment of principal of or interest on the Series 2017 Bonds nor payments under any of the Financing Documents are guaranteed, in whole or in part, directly or indirectly, by the United States (or any agency or instrumentality thereof), nor (B) is any portion of the proceeds of the Series 2017 Bonds to be used in making loans, the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) or invested, directly or indirectly, in federally insured deposits or accounts, nor (C) is the payment of principal or interest on the Series 2017 Bonds otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); provided, however, that the following investments are permitted and may be made: (1) investments of proceeds of the Series 2017 Bonds for an initial temporary period until the proceeds are needed for the Initial Tax-Exempt Project, (2) investments of a bona-fide debt service fund (as defined in Section 1.148-1(b) of the Treasury Regulations), (3) investments of a reserve fund which meet the requirements of Section 148(d) of the Code, (4) investments in bonds issued by the United States Treasury, (5) investments of a refunding escrow which meets the requirements of Section 1.148-1 of the Treasury Regulations, or (6) other investments permitted under the Treasury Regulations issued under Section 148 of the Code.

## ARTICLE VI

### ARBITRAGE

SECTION 6.1. ARBITRAGE REPRESENTATIONS. In connection with the issuance of the Series 2017 Bonds, the Institution hereby represents and reasonably expects as follows:

(A) General. The Series 2017 Project Facility will be acquired by the Institution pursuant to the Loan Agreement. Under the Loan Agreement and the Indenture, the Issuer will make available to the Institution the proceeds of the Series 2017 Bonds for the purpose of financing all or a portion of the Cost of the Project relating to the Series 2017 Project.

(B) Basic Loan Payments; Bond Fund. (1) Pursuant to Section 5.1(A) of the Loan Agreement, the Institution will be obligated to make loan payments in amounts corresponding to the principal and interest payable by the Issuer on the Series 2017 Bonds. The basic loan payments payable under the Loan Agreement are payable on or before the Bond Payment Dates in an aggregate amount equal to the Debt Service Payments payable on the Series 2017 Bonds on such Bond Payment Dates, and are payable directly to the Trustee for deposit in the Bond Fund and thereafter shall be applied by the Trustee to make such Debt Service Payments. The Institution will make such loan payments from the general funds of the Institution, including the revenues generated from the Initial Tax-Exempt Project Facility, and no fund has been nor will be set aside for such payments.

(2) The Loan Agreement constitutes an obligation of the Institution, which is an organization described in Section 501(c)(3) of the Code. At least 95% of all amounts received by or on behalf of the Issuer pursuant to Section 5.1(A) of the Loan Agreement with respect to the Initial Tax-Exempt Project Facility will be used for the following purposes: (a) to pay the Debt Service Payments due on the Series 2017 Bonds or other obligations of the Issuer relating to the Issuer's Program; (b) to reimburse the Issuer for, or to pay for, administrative costs and other costs and anticipated future losses directly related to the Program; (c) to finance additional Purpose Investments for the same general purposes of the Program; and (d) to redeem or retire the Series 2017 Bonds or other outstanding obligations of the Issuer at the earliest possible date of redemption. As indicated in Section 6.1(E) hereof, the Yield to be derived by the Issuer with respect to the Series 2017 Bonds in the aggregate from its administrative fee and otherwise pursuant to the Loan Agreement will not be more than one and one-half percent (1½%) per annum the Yield payable by the Issuer on the Series 2017 Bonds.

(3) The Institution will not permit the Institution or any other obligor on a Purpose Investment financed by the Program (or any Related Person to the Institution or any such obligor) to purchase the Series 2017 Bonds in an amount related to the amount of the purpose obligations to be acquired by the Issuer from the Institution (or such other obligor).

(4) Amounts deposited into the Bond Fund with respect to the Series 2017 Bonds will be used to pay the principal of, and the interest and premium, if any, on the Series 2017 Bonds, as the same becomes due and payable. Amounts deposited into the Bond Fund with respect to the Series 2017 Bonds will be used primarily to achieve a proper matching of the revenues of the Issuer derived from payments under the Loan Agreement and the Debt Service Payments due on the Series 2017 Bonds within each Bond Year.

(5) The amounts on deposit in the Bond Fund with respect to the Series 2017 Bonds may be invested in Higher Yielding Investments for a period not exceeding one year from the

date of deposit of such amounts to the Bond Fund. Amounts deposited in the Bond Fund with respect to the Series 2017 Bonds that may not be invested at an unlimited yield pursuant to the foregoing sentence may be invested at a yield in excess of the Yield on the Series 2017 Bonds to the extent that such amounts do not exceed the Minor Portion. In no event, however, shall the amount invested as the Minor Portion for the Series 2017 Bonds pursuant to this Section 6.1(B)(5) and Section 6.1(F)(6) below exceed \$100,000. Amounts described in this subparagraph that may not be invested at an unlimited yield (a) may not be invested at a Yield in excess of the Yield on the Series 2017 Bonds, or (b) shall be invested in obligations of a state or political subdivision thereof, the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code.

(6) The expenditure of money deposited to the Bond Fund with respect to the Series 2017 Bonds shall be accounted for on the basis of first-in, first-out (“FIFO”).

(7) The Institution will ensure that all amounts held in the Bond Fund with respect to the Series 2017 Bonds will be depleted at least once a year except for a “reasonable carryover amount” (as defined in Section 1.148-1(b) of the Treasury Regulations) and that the Bond Fund will at all times qualify as a “bona fide debt service fund” (as defined in Section 1.148-1(b) of the Treasury Regulations). EXCEPT AS PROVIDED IN THE PREVIOUS SENTENCE, IN NO EVENT WILL ANY MONEYS DEPOSITED INTO THE BOND FUND WITH RESPECT TO THE SERIES 2017 BONDS BE HELD IN THE BOND FUND FOR A PERIOD IN EXCESS OF TWELVE (12) MONTHS. The amounts on deposit in the Bond Fund with respect to the Series 2017 Bonds may be invested in Higher Yielding Investments as permitted by Section 1.148-9(d)(1) of the Treasury Regulations.

(C) Additional Loan Payments. In addition to the basic loan payments, the Institution is required to pay, as additional loan payments pursuant to Section 5.1(B)(2) of the Loan Agreement, the reasonable fees and expenses of the Issuer and the Trustee and their respective representatives in connection with their performance of the transactions contemplated by the terms of the Financing Documents. With the exception of the Issuer’s administrative fee relating to the Series 2017 Bonds in the amount of \$105,000 payable on or before the date hereof, the Issuer’s nominal application fee paid by the Institution and the reimbursement of reasonable expenses incurred by the Issuer and its representatives in connection with the transactions contemplated thereby, and certain other fees and expenses as set forth or referred to therein, there are no fees previously paid or currently payable or expected to be payable to the Issuer directly or indirectly by the Institution or any guarantor of the Series 2017 Bonds.

(D) Issue Price of the Series 2017 Bonds. (1) The Trustee will not charge a commitment fee for making the loan evidenced by the Series 2017 Bonds.

(2) The Series 2017 Bonds will be sold to Citizens Funding Corp. (the “Holder”) pursuant to a private placement at a purchase price of \$10,500,000.00 (the “Purchase Price”), representing the principal face amount of the Series 2017 Bonds (\$10,500,000.00), plus original issue premium (\$0.00), less original issue discount (\$0.00), plus accrued interest on the Series 2017 Bonds from the dated date thereof until the date hereof (\$0.00).

(3) The Holder has certified that the Holder is purchasing the Series 2017 Bonds for its own account at par. Accordingly, for purposes of the two percent (2%) cost of issuance limitation of Section 147(g) of the Code and the calculation of the Yield on the Series 2017 Bonds, the face amount of the Series 2017 Bonds is the “issue price” within the meaning of Section 1.148-1(b) of the Treasury Regulations which should be utilized in calculating the Yield on the Series 2017 Bonds.

(4) Attached hereto as **Exhibit III** is a letter from the Bank, as Agent to the Holder, indicating (a) that the Purchase Price is the “issue price” within the meaning of Section 1.148-1(b) of the Treasury Regulations which should be utilized in calculating the Yield on the Series 2017 Bonds, and (b) that the “average maturity of the Series 2017 Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Code is 15.7721 years.

(E) Yield on the Loan Agreement. The Yield to be derived by the Issuer in the aggregate from its administrative fee pursuant to the Loan Agreement will not exceed by more than one and one-half percent (1½%) per annum the Yield payable by the Issuer on the Series 2017 Bonds. It is not expected that there will be sufficient revenues and/or reserves accumulated or retained by the Issuer to retire the Series 2017 Bonds significantly before maturity.

(F) Initial Deposits to the Project Fund. (1) In accordance with Section 402(A) of the Initial Indenture, the proceeds of the Series 2017 Bonds, as advanced by the Bank pursuant to the terms of the Bond Purchase Agreement will be deposited by the Trustee into the Series 2017 Project Account of the Project Fund.

(2) Pursuant to Section 404 of the Initial Indenture, the Issuer has instructed the Trustee, as proceeds of the Series 2017 Bonds are advanced by the Bank to the Trustee pursuant to the terms of the Bond Purchase Agreement and deposited by the Trustee in the Series 2017 Project Account, to disburse the proceeds of the Series 2017 Bonds on deposit in the Series 2017 Project Account of the Project Fund to the Institution as agent of the Issuer upon satisfaction of the conditions contained in Article IV of the Indenture for such disbursements. Any earnings from investments of amounts in the Series 2017 Project Account of the Project Fund will be retained in the Series 2017 Project Account of the Project Fund and, upon satisfaction of the conditions contained in Article IV of the Indenture, will be disbursed to pay the Cost of the Project relating to the Series 2017 Project. The Institution expects that amounts will be disbursed from the Series 2017 Project Account of the Project Fund in accordance with the Schedule of Estimated Withdrawals from the Series 2017 Project Account attached hereto as **Schedule H**. Such amounts so disbursed shall be immediately applied to the payment of the Cost of the Project relating to the Series 2017 Project, or used to reimburse the Institution for items constituting a Cost of the Project relating to the Series 2017 Project which the Institution has previously incurred, in accordance with the Indenture and the Loan Agreement.

(3) Prior to disbursement, moneys held in the Series 2017 Project Account of the Project Fund may be invested at an unrestricted Yield during the applicable temporary periods as provided in the Code and the Treasury Regulations; provided, however, that any proceeds from such investment or reinvestment of any proceeds of such money will, within three (3) years from the Closing Date or within one (1) year after the receipt of such investment income, be expended on costs of financing, refinancing, acquiring, constructing and installing the Initial Tax-Exempt Project Facility, applied to redeem the Series 2017 Bonds or deposited in the Rebate Fund for rebate to the United States.

(4) Any amounts remaining in the Series 2017 Project Account of the Project Fund on the Completion Date relating to the Series 2017 Project are to be applied, subject to the rebate requirement described in Section 6.3 below, to the redemption of the Series 2017 Bonds.

(5) All of the proceeds from the sale of the Series 2017 Bonds are expected to be expended for the payment of (w) expenses incurred in connection with the issuance of the Series 2017 Bonds, (x) interest on the Series 2017 Bonds during the Construction Period relating to the Series 2017 Project, (y) Costs of the Project relating to the acquisition, construction and



installation of the Series 2017 Project Facility, and (z) any rebate payments to the United States, all within three (3) years of the Closing Date.

(6) In the event that any portion of the proceeds of the Series 2017 Bonds deposited into the Series 2017 Project Account of the Project Fund or the earnings thereon are not necessary to complete the Series 2017 Project, such amounts shall be transferred from the Series 2017 Project Account of the Project Fund to the Bond Fund, invested at a Yield no greater than the Yield on the Series 2017 Bonds and utilized to redeem the Series 2017 Bonds on the first possible date, all in accordance with IRS Revenue Procedures 79-5 and 81-22.

(G) Estimated Project Cost and Completion Date. The anticipated total cost and completion date of the acquisition, construction and installation of the Series 2017 Project Facility are as follows:

COST	ANTICIPATED DATE OF COMPLETION
\$10,500,000.00	February 1, 2020

(2) The Institution certifies that the total amount of the Sale Proceeds of the Series 2017 Bonds (\$10,500,000.00), plus anticipated interest earnings thereon net of expected arbitrage rebate), will be expended to pay the cost of the Series 2017 Project as follows:

- (a) \$100,000 will used within six months of the date hereof to pay other Issuance Costs relating to the Series 2017 Bonds;
- (b) the balance will be used within three years of the date hereof to pay other Costs of the Series 2017 Project.

(3) The Institution has incurred or will incur, within six (6) months after the date of issuance of the Series 2017 Bonds, at least \$100,000 in expenditures for Costs of the Project relating to the acquisition, construction and installation of the Series 2017 Project Facility. The Institution has entered into contracts for the acquisition, construction and installation of the Series 2017 Project Facility under which the Institution has paid or is obligated to pay an amount at least equal to the lesser of (a) \$100,000 or (b) ten percent (10%) of the Costs of the Project related to the Series 2017 Project Facility. The acquisition, construction and installation of the Series 2017 Project Facility is expected to proceed with due diligence to completion, which will not be later than three (3) years from the date of execution of this Tax Regulatory Agreement.

(H) Use of Proceeds of the Series 2017 Bonds. The total amount of the proceeds received by the Issuer from the sale of the Series 2017 Bonds, less (a) Issuance Costs with respect to the Series 2017 Bonds (not exceeding two percent (2%) of the Sale Proceeds of the Series 2017 Bonds), and (b) an amount less than the amount necessary to constitute “excess gross proceeds” of the Series 2017 Bonds within the meaning ascribed to such quoted term in Section 1.148-10(c)(2) of the Treasury Regulations, will not exceed the amount necessary for the purposes of the Series 2017 Bonds, i.e., financing the costs of acquisition, construction and installation of the Series 2017 Project Facility.

(I) Date of Issuance. The date of issuance of the Series 2017 Bonds has been determined solely on the basis of bona-fide financial reasons, and to obtain a favorable rate of interest on the Series 2017 Bonds, and has not been determined with a view to prolonging abnormally the period between the issuance of the Series 2017 Bonds and expenditure of the proceeds thereof.

(J) Additional Funds Securing the Series 2017 Bonds. (1) Pursuant to Section 401 of the Indenture, the Trustee has been directed to establish the Rebate Fund. Pursuant to Section 407 of the Indenture, moneys in the Rebate Fund will be applied first to make the rebate payments to the United States described in Section 6.4 hereof, and any excess funds will be deposited in the Project Fund prior to the Completion Date or, after the Completion Date, transferred to the Bond Fund to be applied to the payment of the principal and interest coming due on the Bonds on the next following Bond Payment Date.

(2) Pursuant to Section 401 of the Indenture, the Trustee has been directed to establish the Insurance and Condemnation Fund. Pursuant to the Loan Agreement and the Indenture, net proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Initial Tax-Exempt Project Facility shall be deposited into the Insurance and Condemnation Fund. There are not expected to be any insurance awards or Condemnation proceeds which will become available to prepay or secure the Series 2017 Bonds.

(3) Except as specifically provided in this Section 6.1, there is and will be no segregated or identifiable fund not described herein (including, but not limited to, a sinking fund, pledged fund or similar fund, including, without limitation, any arrangement under which moneys, securities or obligations are pledged directly or indirectly to secure or for payment of debt service on the Series 2017 Bonds or any contract securing the Series 2017 Bonds or any arrangement providing for compensating balances to be maintained by the Institution or any guarantor of the Series 2017 Bonds or any Related Person to any of them) held by or on behalf of the Issuer, the Institution, any guarantor of the Series 2017 Bonds, the Trustee or any Holder of the Series 2017 Bonds which the holders of the Series 2017 Bonds are assured will be available to pay the principal of or interest on, or the premium, if any, on, the Series 2017 Bonds, which will be pledged as security for the Series 2017 Bonds, or which will replace moneys that will be used to pay such principal, interest or premium, if any.

(K) Replacement Proceeds. (1) On an ongoing basis, the Institution receives donations, grants and other moneys for the purpose of financing various capital improvements. In addition, the Institution also undertakes on an ongoing basis fundraising campaigns to finance various capital improvements. The Institution represents and covenants that, if the Institution has embarked or embarks in the future on a capital campaign in connection with any of the projects being financed or refinanced with proceeds of the Series 2017 Bonds, and has received or will receive any amounts pursuant to such capital campaign, the Institution has applied (and will apply) such contributed amounts in accordance with the terms of the contribution and solicitation materials. Any costs of the Series 2017 Project intended to be financed or refinanced with the proceeds of the Series 2017 Bonds which are not financed or refinanced with the proceeds of the Series 2017 Bonds may be financed or refinanced with such contributed funds, including cost overruns and furnishings and fixtures. If there are no additional costs which can be paid in accordance with the terms of the contributions (including as defined by the terms of the solicitation materials), the Institution covenants that the Institution will apply such contributed funds to the repayment of principal of the Series 2017 Bonds. To the extent that the amounts required to repay principal of the Series 2017 Bonds exceed the principal payments coming due within one year of the date of receipt of such amounts, the Institution covenants that the Institution will invest the excess amounts in obligations the yield on which does not exceed the Yield on the Series 2017 Bonds or in obligations the interest on which is not included in gross income under Section 103 of the Code and is not a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

(2) Except for certain pledges of gifts to the Institution restricted to use for payment of costs of the Series 2017 Project or payment of the loan payments or other payments due under

the Loan Agreement or under the Series 2017 Bonds (the “Project Pledges”), the Institution represents that (a) no contributions or pledges of gifts to the Institution in connection with any past or current capital fund drive are pledged to the payment of the loan payments or any other payments due under the Loan Agreement, and (b) the Institution has the right to use and dispose of any gifts and proceeds received by the Institution as a result of any such capital campaign for the enlargement of the endowment funds of the Institution, and funds functioning as endowment, and for facilities of any kind, as well as for payment of Costs of the Project financed or refinanced with the proceeds of the Series 2017 Bonds, in the discretion of the Institution, but subject to any directions of and restrictions and conditions imposed on the Institution by the respective donors.

(3) The Institution agrees that, except for proceeds of the Project Pledges, the use of the contributions, pledges of gifts and funds held in any capital campaign fund or general debt service reserve fund maintained by the Institution are not limited or restricted to the payment of Costs of the Project which are payable from the Project Fund or the loan payments or other payments due under the Loan Agreement or the Series 2017 Bonds. The Institution further agrees **not** to invest or deposit the Project Pledges in any type of an interest bearing or income producing account or fund producing a Yield in excess of the Yield with respect to the Series 2017 Bonds.

(4) Except as described above, no portion of the proceeds of the Series 2017 Bonds will be used as a substitute for other funds that were otherwise to be used to finance the costs of the Initial Tax-Exempt Project and that have been or will be used to acquire directly or indirectly securities or obligations or other Investment Property producing a Yield in excess of the Yield with respect to the Series 2017 Bonds.

(L) Pledged Funds. (1) The Institution represents that no amounts are held by the Institution under an agreement to maintain an amount at a particular level for the direct or indirect benefit of the Trustee or the Holders of the Series 2017 Bonds.

(2) Except as specifically provided in this Section 6.1, there is and will be no segregated or identifiable fund not described herein (including, but not limited to, a sinking fund, pledged fund or similar fund, including, without limitation, any arrangement under which moneys, securities or obligations are pledged directly or indirectly to secure or for payment of debt service on the Series 2017 Bonds or any contract securing the Series 2017 Bonds or any arrangement providing for compensating balances to be maintained by the Institution or any guarantor of the Series 2017 Bonds or any Related Person to any of them) held by or on behalf of the Issuer, the Institution, any guarantor of the Series 2017 Bonds, the Trustee or any Holder of the Series 2017 Bonds which the Holders of the Series 2017 Bonds or the Trustee are assured will be available to pay the principal of or interest on, or the premium, if any, on, the Series 2017 Bonds, which will be pledged as security for the Series 2017 Bonds, or which will replace moneys that will be used to pay such principal, interest or premium, if any.

(M) Endowment of the Institution. (1) With respect to the endowment funds of the Institution, if any (the “Endowment Funds”), the Institution represents the following: (a) the Endowment Funds are reasonably necessary as part of the permanent capital of the Institution, (b) the Endowment Funds are derived from gifts or bequests, or the income thereon, that were neither made nor (except for income thereon) were reasonably expected to be used to pay working capital expenditures, and (c) pursuant to reasonable, established practices of the Institution, the Institution designates and consistently operates the Endowment Funds as a permanent endowment fund or quasi-endowment fund restricted as to use.

(2) The Institution believes that the maintenance of the Endowment Funds at the level reflected in the financial statements of the Institution for the year ended June 30, 2016 is necessary to (a) enable the Institution to provide financial assistance to the Institution's students at current levels, (b) provide for faculty and administrative staff development at current levels, and (c) maintain the Institution's rates and charges at levels that are comparative with other charities that provide services of a quantity and quality that are comparable to those provided by the Institution.

(N) No Sales; Restrictions on Leases. Except as provided in this Section 2.1(N) or as disclosed on **Schedule M** attached hereto, the Initial Tax-Exempt Project Facility is not expected to be sold or leased in a transaction which is treated as a sale for federal income tax purposes or otherwise disposed of, in whole or in part, while any of the Series 2017 Bonds are Outstanding. Except as disclosed on **Schedule M** attached hereto, the Institution reasonably expects that the Institution is, and will be throughout the term of the Series 2017 Bonds, the owner of the Initial Tax-Exempt Project Facility for federal income tax purposes. If the Institution should in the future enter into any lease of the Initial Tax-Exempt Project Facility (or any portion thereof) (each, a "Lease"), any such Lease will comply with the provisions set forth below, and accordingly will be a "true lease" for federal income tax purposes and will not, therefore, be an "acquired obligation" to which the proceeds of the Series 2017 Bonds must be allocated pursuant to the Treasury Regulations:

(1) the economic useful life, from the date hereof, of the Initial Tax-Exempt Project Facility will exceed thirty (30) years, which is at least one hundred twenty-five percent (125%) of the term of any Lease, and any Lease will have a term such that the economic useful life of the Initial Tax-Exempt Project Facility at the expiration of the term of such Lease, including all fixed-rate renewal option periods, will equal at least twenty percent (20%) of the reasonably estimated economic useful life of the Initial Tax-Exempt Project Facility at the commencement of such Lease, without taking inflation into account;

(2) the fair market value of the Initial Tax-Exempt Project Facility at the end of the term of the longest Lease, including all fixed-rate renewal option periods, will exceed twenty percent (20%) of the original cost of the Initial Tax-Exempt Project Facility, without taking inflation into account;

(3) there will be no restrictions as to the use of the Initial Tax-Exempt Project Facility at the end of the term of any of the Leases;

(4) none of the tenants under any of the Leases will have any right to purchase all or any portion of the Initial Tax-Exempt Project Facility for less than its fair market value at the time the right is exercised;

(5) payments under any Lease will not exceed the current fair rental value of the portion of the Initial Tax-Exempt Project Facility leased thereunder;

(6) any and all subleases to a third party of the Initial Tax-Exempt Project Facility or any part thereof entered into by the tenant under any Lease (or its successors or assigns) will be fully subordinate to such Lease;

(7) at the end of the term of any Lease, the Initial Tax-Exempt Project Facility will be useful or useable by the Institution or suitable for use by or leasing to Persons other than the tenants under the Leases or a Related Person thereto;

(8) no tenant under any Lease (nor any Related Person thereto) will be a Person who furnishes, or has furnished, any part of the cost of the Initial Tax-Exempt Project Facility or who loans or guarantees any portion of the funds used to pay the cost of the Initial Tax-Exempt Project Facility;

(9) the Institution will have no contractual right under any Lease to cause any Person to purchase the Initial Tax-Exempt Project Facility or to abandon the Initial Tax-Exempt Project Facility to any Person; and

(10) the Institution will not execute any Lease unless it reasonably expects, at the time such Lease is executed, that the Institution will receive a profit from such Lease apart from the value of or benefits obtained from any tax deductions, losses, allowances, credits and any other tax attributes arising from the ownership of the Initial Tax-Exempt Project Facility and such Lease.

For purposes of this Section 6.1(N), the term of any such Lease shall include any optional renewal periods other than at fair rental value at the time the option is exercised.

(O) Investments of Proceeds of the Series 2017 Bonds. Except as specifically set forth in subsections (B) and (F) of this Section 6.1, no portion of the proceeds of the Series 2017 Bonds is expected to be used directly or indirectly to acquire Higher Yielding Investments or to replace funds used directly or indirectly to acquire any such obligations.

(P) Investment Property. Except as specifically set forth in subsections (B) and (F) of this Section 6.1, no Investment Property will be pledged as collateral for the payment of the principal of or interest on the Series 2017 Bonds.

(Q) No Refinancing. Except as disclosed in Section 3.5 hereof and on **Schedule A** attached hereto, the proceeds of the Series 2017 Bonds will **not** be used to refinance or refund any prior Industrial Development Bond or Private Activity Bond or other tax-exempt bond.

(R) The “net sale proceeds” (as defined in Section 1.148-1(b) of the Treasury Regulations) of the Series 2017 Bonds will not exceed by any amount the amount necessary for the government purpose of the Issuer regarding the Series 2017 Bonds (i.e., the costs of acquiring, constructing and installing the Series 2017 Project Facility, and payment of permitted Issuance Costs related to the Series 2017 Bonds), and no portion of the Series 2017 Bonds is being issued solely for the purpose of acquiring any Higher Yielding Investments or to replace funds which were used directly or indirectly to acquire such Higher Yielding Investments.

(S) Purchase Price of Investments: No Prohibited Payments. (1) The Institution covenants and agrees that the Institution shall not acquire Nonpurpose Investments at other than arm’s length, Fair Market Value prices.

(2) The Institution has not entered into any transaction to reduce the Yield on the investment of the Gross Proceeds of the Series 2017 Bonds in such a manner that the amount to be rebated to the federal government pursuant to Section 6.4 hereof is less than it would have been had the transaction been at arm’s length and had the Yield on the Series 2017 Bonds not been relevant to either party to the transaction (a “Prohibited Payment”).

(3) Any investment of the Proceeds of the Series 2017 Bonds will meet the “safe harbor” provisions for compliance with the Fair Market Value rule contained in Section 1.148-

5(d)(6)(i) of the Treasury Regulations, a summary of which is contained in Item A on **Schedule N** attached hereto.

(4) Any investment of the Proceeds of the Series 2017 Bonds in a Guaranteed Investment Contract will meet the “safe harbor” provisions for compliance with the Fair Market Value rule contained rules of Section 1.148-5(d)(6)(iii) of the Treasury Regulations, and therefore will be considered to be in an amount not greater than the Fair Market Value.

(5) Prior to investing any Proceeds of the Series 2017 Bonds in certificates of deposit or pursuant to an investment contract, the Institution agrees to deliver to the Trustee the appropriate certifications, attached hereto as **Schedule P** and **Schedule Q**.

(T) No Exploitation of Tax-Exempt Market. The Series 2017 Bonds are not being issued to enable the Issuer or the Institution to exploit the difference between tax-exempt and taxable interest rates to gain a material advantage and increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling a bond that would not otherwise be sold, or selling a larger bond, or issuing it sooner or permitting it to remain outstanding longer than would otherwise be necessary.

(U) Investment Proceeds Allocated to the Series 2017 Bonds. Notwithstanding any restrictions on the investment of Proceeds of the Series 2017 Bonds and other amounts set forth in this Tax Regulatory Agreement, Sale Proceeds of the Series 2017 Bonds and other amounts treated as Proceeds of the Series 2017 Bonds are allocated and remain allocated to the Series 2017 Bonds, and are thereby subject to the restrictions contained in this Tax Regulatory Agreement, only to the extent that the value of the Nonpurpose Investments allocable to such proceeds does not exceed the value of the outstanding obligations of the Issuer on the Series 2017 Bonds. This subsection (U) shall not apply to amounts on deposit in bona fide debt service funds, if any.

(V) Reliance. The representations set forth herein may be relied upon by the Issuer in issuing its arbitrage certification pursuant to Section 148 of the Code and Sections 1.148-0 through 1.148-11 of the Treasury Regulations thereunder. The Institution has reviewed the Arbitrage Certificate of the Issuer and, to the best of its knowledge, information and belief, the facts, estimates and circumstances set forth therein are accurate and complete in all respects and there are no other facts, estimates or circumstances that would change the expectations and representations of the Issuer set forth therein.

**SECTION 6.2. ARBITRAGE COMPLIANCE.** The Institution acknowledges that the continued exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirement described in Section 6.3 below. The Issuer has, in the Loan Agreement, authorized the Institution to take all actions necessary to comply with such requirements. The Institution hereby agrees and covenants that the Institution shall not permit at any time any of the Proceeds of the Series 2017 Bonds, investment earnings thereon, any Investment Property acquired with Proceeds of the Series 2017 Bonds or investment earnings thereon, any other moneys on deposit in any fund or account maintained in respect of the Series 2017 Bonds (whether such moneys were derived from the proceeds of the sale of the Series 2017 Bonds or from other sources) or any other funds of the Institution to be used, directly or indirectly, in any manner that would cause any of the Series 2017 Bonds to be an “arbitrage bond” for purposes of Section 148 of the Code. The Institution on behalf of the Issuer further agrees and covenants that the Institution shall do and perform all acts and things necessary in order to assure that the requirements of Section 148 of the Code and of Sections 1.148-0 through 1.148-11 and 1.150-1 of the Treasury Regulations and any successor regulations are met for the purpose of ensuring that the Series 2017 Bonds do not become “arbitrage bonds” within the meaning of such term in Section 148 of the

Code. To that end, the Institution, on behalf of the Issuer, shall take the actions described in Sections 6.3 through 6.6 hereof.

SECTION 6.3. CALCULATION OF REBATE AMOUNT. Section 148(f) of the Code requires the payment to the United States of the excess of the aggregate amount earned on the investment of Gross Proceeds of the Series 2017 Bonds in Nonpurpose Investments allocable to the Series 2017 Bonds over the amount that would have been earned on such Nonpurpose Investments had the amount so invested been invested at a rate equal to the Yield on the Series 2017 Bonds, together with any income attributable to such excess. Except as provided below, all the funds and accounts established under the Indenture, and all other funds or amounts treated as Gross Proceeds of the Series 2017 Bonds, are subject to this requirement. In order to meet the rebate requirement of Section 148(f), the Institution agrees and covenants to take the following actions:

(A) Records of Investments; Universal Cap. (1) For each Nonpurpose Investment in which Gross Proceeds of the Series 2017 Bonds are invested, the Institution on behalf of the Issuer shall maintain records adequate to determine the Rebate Amount due with respect to the Series 2017 Bonds, if any. Such records shall include, but are not necessarily limited to, information regarding the following with respect to each and every Nonpurpose Investment allocable to the Series 2017 Bonds: (a) purchase price; (b) nominal rate of interest; (c) amount of accrued interest purchased (included in purchase price); (d) par or face amount; (e) purchase date; (f) maturity date; (g) amount of original issue discount or premium (if any); (h) type of Investment Property; (i) frequency of periodic payments; (j) period of compounding; (k) yield to maturity; (l) date of disposition; (m) all receipts with respect to such Investment Property; (n) brokerage commissions or other similar fees; (o) amount realized on the disposition (including accrued interest); and (p) market price data sufficient to establish that the purchase price was equal to the Fair Market Value on the date of acquisition, construction and installation or, if earlier, on the date of a binding contract to acquire such Investment Property (for instance, it would be sufficient for the Institution on behalf of the Issuer when purchasing a treasury bill to record: (i) that it had received three independent, arm's-length bids; (ii) the bidders; (iii) the bids themselves; and (iv) that the Institution on behalf of the Issuer had chosen the lowest bid). The yield to maturity for an Investment means that discount rate, based on semiannual compounding, which, when used to determine the Present Value on the purchase date of such Investment, or the date on which the Investment becomes a Nonpurpose Investment, whichever is later, of all payments of principal and interest on such Investment, gives an amount equal to the Fair Market Value of such Investment plus accrued interest due on such date.

(2) On each Valuation Date, the Institution shall determine the Universal Cap for the Series 2017 Bonds and the Value of all Nonpurpose Investments allocable to the Gross Proceeds of the Series 2017 Bonds. Nonpurpose Investments in a Bona Fide Debt Service Fund such as the Bond Fund do not reduce the aggregate Value of the Nonpurpose Investments that may be allocated to the Gross Proceeds of the Series 2017 Bonds under the Universal Cap. All Values are determined as of the close of business on each Valuation Date, after giving effect to all payments on the Series 2017 Bonds and all payments for and receipts on Investments on that Valuation Date. To the extent Nonpurpose Investments cease to be allocated to the Gross Proceeds of the Series 2017 Bonds and the Universal Cap exceeds the Value of the remaining Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 Bonds, other Nonpurpose Investments may become allocated to the Gross Proceeds of the Series 2017 Bonds, provided that such Nonpurpose Investments are not already properly allocated to Gross Proceeds of another issue and provided that such allocation does not cause the value of Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 Bonds to exceed the Universal Cap.

(3) Generally, if the Value of all Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 Bonds exceeds the Universal Cap for the Series 2017 Bonds on a Valuation Date, such Nonpurpose Investments cease to be allocated to the Gross Proceeds of the Series 2017 Bonds in the following order of priority:

(a) First, Nonpurpose Investments allocable to Replacement Proceeds of the Series 2017 Bonds;

(b) Second, Nonpurpose Investments allocable to Transferred Proceeds of the Series 2017 Bonds; and

(c) Third, Nonpurpose Investments allocable to Sale Proceeds or Investment Proceeds of the Series 2017 Bonds.

(4) Except as otherwise provided in Section 1.148-6(b) of the Treasury Regulations, amounts are allocable to only one issue (including a taxable issue) at a time as Gross Proceeds, and, if amounts simultaneously are Proceeds of one issue and Replacement Proceeds of another issue, those amounts are allocable to the issue of which they are Proceeds. Amounts cease to be allocated to an issue as Proceeds only (a) when they are properly allocated to an expenditure for a governmental purpose, (b) when they become Transferred Proceeds of another issue or (c) when they cease to be allocated to an issue because of the retirement of that issue or by application of the Universal Cap. Amounts cease to be allocated to an issue as Replacement Proceeds only (x) when they are properly allocated to an expenditure for a governmental purpose, (y) when they are no longer used in a manner that causes those amounts to be Replacement Proceeds or (z) when they cease to be allocated to an issue because of the retirement of that issue or by application of the Universal Cap. Amounts that cease to be allocated to an issue as Gross Proceeds are eligible for allocation to another issue. A Nonpurpose Investment which is re-allocated to another issue may be valued under the same valuation method pursuant to which it was valued for purposes of applying the Universal Cap with respect to the Series 2017 Bonds.

(5) Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2017 Bonds as of a Valuation Date shall not be considered a violation of this provision if the Value of Nonpurpose Investments allocated to the Series 2017 Bonds did not exceed the Value of the Series 2017 Bonds Outstanding on such Valuation Date.

(B) Calculation of Investment Income. The aggregate amount earned on the investment of Gross Proceeds in Nonpurpose Investments allocable to the Series 2017 Bonds for each Computation Period shall include all income realized under federal income tax accounting principles with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments). Such income shall include, for example, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code) and income under Section 1272 of the Code. In addition, where Nonpurpose Investments allocable to the Series 2017 Bonds are retained after retirement of the Series 2017 Bonds, any unrealized gains or losses as of the date of retirement of the Series 2017 Bonds must be taken into account in calculating the aggregate amount earned on such Nonpurpose Investments. In addition, the aggregate amount earned on Nonpurpose Investments allocable to the Series 2017 Bonds in any Computation Period shall include the gain or loss on the sale of any Investment determined by subtracting the Fair Market Value of the Investment from the disposition price of the Investment.



(C) Determination of the Yield on the Series 2017 Bonds. For each Computation Period specified in Section 6.3(D) of this Tax Regulatory Agreement, (1) if the Series 2017 Bonds contain no Variable Rate Obligations, then the Yield on the Series 2017 Bonds shall be computed as required by Section 1.148-1(b) of the Treasury Regulations using payments of principal actually paid and interest actually paid through the last day of the Computation Period, and payments of principal and interest reasonably expected to be paid after the Computation Period, and using as the purchase price of the Series 2017 Bonds the initial offering price to the public (not including bond houses and brokers, or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 Bonds were sold, or, if privately placed, the price paid by the first buyer of such obligation; or (2) if any of the Series 2017 Bonds is a Variable Rate Obligation (including an adjustable mode bond), then the Yield on the Series 2017 Bonds shall be computed as required by Section 1.148-1(b) of the Treasury Regulations using payments of principal actually paid and interest accrued through the last day of the Computation Period and payments of principal and interest expected to be made after the Computation Period, assuming a rate of interest equal to the Weighted Average Rate of Interest from the date of original issuance of the Series 2017 Bonds to the end of the Computation Period, and using as the purchase price of the Series 2017 Bonds the amount described in clause (1) of this subsection.

(D) Computation Dates; Interim Computation Dates. (1) Subject to the special rules set forth in Section 6.3(E) of this Tax Regulatory Agreement, the Institution shall determine the amount of earnings received on all Investments described in subsection (A) above during the Computation Periods ending with the following determination dates: (a) each Installment Computation Date; and (b) the Final Computation Date.

(2) In addition, subject to the special rules set forth in Section 6.3(E) of this Tax Regulatory Agreement, if the Institution has not selected any of following dates to be an Installment Computation Date, then the Institution shall additionally make an interim determination of the amount of earnings received on all Investments described in subsection (A) above during the period (each such period being hereinafter referred to as an “Interim Computation Period”) commencing on the day immediately following the Computation Date for the immediately preceding Computation Period and ending on each of the following dates (each such date being hereinafter referred to as an “Interim Computation Date”): (1) the date of expenditure of all the proceeds of the Series 2017 Bonds on completion of the Tax-Exempt Project Facility; and (2) in the event of damage to or Condemnation of the Tax-Exempt Project Facility, the date of the expenditure of the proceeds of any insurance settlement or Condemnation award on the completion of the restoration of the Tax-Exempt Project Facility. In addition, the Institution shall determine the Rebate Amount as of each Interim Computation Date in accordance with the provisions set forth in subsection (F) of this Section 6.3, and the Institution shall deliver to the Trustee a certification of the Rebate Amount as of each such Interim Computation Date. If any such certificate indicates that the Rebate Amount so calculated as of the Interim Computation Date to which such certificate relates exceeds the amount on deposit in the Rebate Fund as of such Interim Computation Date, the Institution shall also cause to be deposited with the Trustee, for deposit into the Rebate Fund, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount so calculated as of such Interim Computation Date.

(E) Exceptions to Rebate Requirement. (1) Partial Bond Fund Exception. Notwithstanding anything in this Tax Regulatory Agreement to the contrary, if the gross earnings from the Investments held in the Bond Fund for the Bond Year in question, that are attributable to Nonpurpose Investments, are less than \$100,000 (other than from the investment of moneys in obligations described in Section 103(a) of the Code which are also not specified Private Activity Bonds within the meaning of

Section 57(a)(5)(C) of the Code) than any amount earned on such Bond Fund shall not be taken into account in determining the Rebate Amount. For purposes of this paragraph, the term “gross earnings” means the aggregate amount earned on the Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 Bonds credited to the Bond Fund (except for amounts deposited thereto in respect of capitalized interest), including amounts earned on such amounts if in turn credited to the Bond Fund. The \$100,000 limitation is deemed satisfied with respect to the Series 2017 Bonds if the average annual debt service thereon is not in excess of \$2,500,000.

(2) Six (6) Month Exception to Rebate. The Series 2017 Bonds are treated as meeting the rebate requirement of Section 148 of the Code if all of the Gross Proceeds of the Series 2017 Bonds are allocated to expenditures for the governmental purpose of the Series 2017 Bonds (i.e., the Series 2017 Project) within the six (6) month period beginning on the Closing Date, and the rebate requirement is met with respect to amounts not required to be spent within six (6) months (excluding earnings on a Bona Fide Debt Service Fund). An additional six (6) months during which Gross Proceeds of the Series 2017 Bonds may remain unexpended is permitted, if (a) the Series 2017 Bonds are not tax or revenue anticipation bonds, and (b) the amount which remains unexpended does not exceed five percent (5%) of the proceeds of the Series 2017 Bonds. For purposes of this exception, the term Gross Proceeds does not include amounts in the Bond Fund; amounts in a reasonably required reserve or replacement fund; amounts that, as of the issue date of the Series 2017 Bonds, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six (6) month spending period; amounts representing Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the Series 2017 Bonds; and amounts representing repayments of grants financed by the Series 2017 Bonds. Moreover, expenditures for the governmental purpose of the Series 2017 Bonds include payments for interest, but not principal, on the Series 2017 Bonds, and for principal or interest on another issue of bonds.

(3) Eighteen (18) Month Exception. Notwithstanding anything in this Tax Regulatory Agreement to the contrary, the Series 2017 Bonds are treated as meeting the rebate requirement of Section 148 of the Code if all of the Gross Proceeds of the Series 2017 Bonds are allocated to expenditures for the governmental purpose of the Series 2017 Bonds (i.e., the Series 2017 Project) in accordance with the following Schedule measured from the Closing Date of the Series 2017 Bonds: (a) fifteen percent (15%) within six (6) months; (b) sixty percent (60%) within twelve (12) months; and (c) one hundred percent (100%) within eighteen (18) months. The spending requirements for the first two (2) spending periods will be measured by including in the amount of Gross Proceeds investment earnings reasonably expected to be received in respect of such amounts based on the Institution’s reasonable expectations on the Closing Date. The spending requirement for the third and final period will be measured by reference to actual investment earnings. In addition, the rebate requirement must be satisfied with respect to Gross Proceeds of the Series 2017 Bonds as of the Closing Date if any of the semi-annual spending requirements of the eighteen (18) month spending exception to rebate are **not** met. Gross Proceeds, for purposes of this exception to the rebate requirement, does not include amounts in the Bond Fund; amounts in a reasonably required reserve or replacement fund; amounts that, as of the Closing Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the eighteen (18) month spending period; amounts representing Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the Series 2017 Bonds; and amounts representing repayments of grants financed by the Series 2017 Bonds. Expenditures for the governmental purpose of the Series 2017 Bonds include payments for interest, but not principal, on the Series 2017 Bonds, and for principal or interest on another issue of obligations, unless such payments would cause the Series 2017 Bonds to be a Refunding Issue. The eighteen (18) month rule will be considered satisfied if the Institution exercises due

diligence to complete the Initial Tax-Exempt Project Facility and the amount of the unexpended Proceeds does not exceed the lesser of three percent (3%) of the Issue Price of the Series 2017 Bonds or \$250,000. The final spending requirement will be considered satisfied if the amount of Gross Proceeds of the Series 2017 Bonds remaining unexpended as of the eighteen (18) month anniversary of the Closing Date is a Reasonable Retainage amount and such amount is allocated to expenditures within thirty (30) months of the Closing Date.

(4) Exception for Available Construction Proceeds of Construction Bonds Spent Within Two (2) Years. (a) Two (2) Year Construction Bond Exception to Rebate. A Construction Issue is treated as meeting the rebate requirement for Available Construction Proceeds if those proceeds are allocated to expenditures for the governmental purposes of the Series 2017 Bonds (or the portion thereof constituting such Construction Issue) in accordance with the following schedule, measured from the issue date of the Series 2017 Bonds: (i) ten percent (10%) within six (6) months; (ii) forty-five percent (45%) within twelve (12) months; (iii) seventy-five percent (75%) within eighteen (18) months; and (iv) one hundred percent (100%) within twenty-four (24) months. The two (2) year spending exception to rebate is deemed satisfied if the unexpended amount does not exceed the lesser of three percent (3%) of the Issue Price of the Series 2017 Bonds or \$250,000. The fourth spending requirement is considered satisfied if the unexpended amount is attributable to a Reasonable Retainage and if such amount is allocated to expenditures within three (3) years of the Closing Date. Expenditures for the governmental purpose of Series 2017 Bonds (or the portion thereof constituting such Construction Issue) include payments for interest, but not principal, on such issue, and for principal or interest on another issue of obligations, unless those payments cause the Series 2017 Bonds (or the portion thereof constituting such Construction Issue) to be a Refunding Issue. For purposes of determining compliance with the spending requirements as of the close of each of the first three (3) spending periods, Available Construction Proceeds include the amount of future earnings that the Institution reasonably expected as of the Closing Date. The spending requirement with respect to the fourth and final spending period is measured by reference to actual earnings.

(b) Penalty in lieu of Rebate. Unless an "X" is placed next to the Item 7 on **Schedule O** attached hereto indicating that an Election has been made under Section 1.148-7(k) of the Treasury Regulations to pay the one and one half percent (1½%) penalty and/or the three percent (3%) penalty at the close of each semi-annual spending period in respect of which the spending requirement has not been satisfied, in the event the Institution fails to expend the Available Construction Proceeds in accordance with the Schedule set forth in (4)(a) above, all Gross Proceeds of the Series 2017 Bonds, not otherwise exempted from the calculation of the Rebate Amount, will be taken into account in the calculation of the Rebate Amount starting from the Closing Date.

(c) Bifurcated Issue. If an "X" is placed next to Item 6 on **Schedule O** attached hereto, indicating that a Code Election has been made by the Institution on behalf of the Issuer under Section 1.148-7(j)(1) of the Treasury Regulations to treat a portion of the Series 2017 Bonds used for construction as a separate issue and thereby apply the 2-year expenditure exception to such construction portion only, the Series 2017 Bonds will be bifurcated into a Construction Issue and a non-Construction Issue as shown in said Item 6, and the portion of the Series 2017 Bonds designated as a Construction Issue will be treated as a separate issue, and accordingly the 2-year expenditure exception will apply only to such portion of the Series 2017 Bonds designated as a Construction Issue under Section 1.148-7(j)(1) of the Treasury Regulations. If an Election has been made to bifurcate the Series 2017 Bonds as aforesaid into a Construction Issue and a

non-Construction Issue, the two (2) portions will be treated as separate issues for purposes of computing the Rebate Amount as provided in Section 6.3 hereof. The Series 2017 Bonds **may not** be bifurcated into a Construction Issue and an issue which satisfies one eighteen (18) month exception to rebate set forth in Section 6.3(E)(3) of this Tax Regulatory Agreement. In addition, the Series 2017 Bonds **may not** be bifurcated to include Construction Expenditures in the non-Construction Issue. Amounts used to pay Issuance Costs of the Series 2017 Bonds and to fund a debt service reserve fund are allocated ratably between the Construction Issue and the non-Construction Issue. **Note that if the Series 2017 Bonds include both refunding bonds and new money bonds, the Series 2017 Bonds are considered to be bifurcated by operation of law.**

(d) Reasonable Expectations vs. Actual Facts. Unless an “X” is placed next to Item 4 on **Schedule O** attached hereto indicating that a Code Election has been made under Section 1.148-7(f)(2) of the Treasury Regulations to satisfy requirements for a Construction Issue based upon the actual facts with respect to the Construction Issue, rather than reasonable expectations, the reasonable expectations of the Institution on behalf of the Issuer on the Closing Date that at least 75% of the Available Construction Proceeds of the Series 2017 Bonds will be allocated to Construction Expenditures (rather than actual facts) will determine whether the Series 2017 Bonds will be a construction issue for purposes of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code. If an “X” is placed next to said Item 4 on **Schedule O** attached hereto, the actual facts with respect to the Series 2017 Bonds, rather than reasonable expectations, will govern such determination.

(5) Exclusivity of the Two (2) Year and Eighteen (18) Month Exceptions to Rebate. The Institution acknowledges that the Institution may only avail itself of one of the exceptions to rebate set forth in Section 6.3(F)(3) and Section 6.3(F)(3)(4) above.

(6) Notice to the Trustee. The Institution shall evidence qualification for the Six Month Exception, the Eighteen-Month Exception or the Two-Year Exception, as the case may be, by delivering to the Trustee the documentation required for final disbursement of moneys from the Project Fund pursuant to Article IV of the Indenture and receiving the balance on deposit in the Project Fund within the applicable period after the date of original issuance of the Series 2017 Bonds.

(F) Rebate Calculation. (1) Subject to the special rules set forth in Section 6.3(E) of this Tax Regulatory Agreement, the Institution shall determine the Rebate Amount on each Computation Date. For this purpose, the Rebate Amount, determined as of any Computation Date, shall be equal to the excess of the Future Value of all receipts with respect to the Nonpurpose Investments allocated to the Series 2017 Bonds over the Future Value of all payments with respect to such Nonpurpose Investments. In addition, the Institution shall deliver to the Trustee a certification of the Rebate Amount as of each such Computation Date. As provided in Section 6.3(G) of this Tax Regulatory Agreement, if any such certificate indicates that the Rebate Amount so calculated as of the Computation Date to which such certificate relates exceeds the amount on deposit in the Rebate Fund as of such Computation Date, the Institution shall pay or cause to be paid to the Trustee, for deposit into the Rebate Fund, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount so calculated as of such Computation Date.

(2) Nonpurpose Receipts. For purposes of this Section 6.3(F) of this Tax Regulatory Agreement, receipts with respect to a Nonpurpose Investment that is allocated to the Series 2017 Bonds (including a Nonpurpose Investment allocated to the Rebate Fund that was acquired with

Gross Proceeds of the Series 2017 Bonds constituting Sale Proceeds or Investment Proceeds) consist of:

(a) Actual Receipts. The amount(s) actually or constructively received with respect to the Nonpurpose Investment, determined without reduction for sales commissions, administrative expenses or similar expenses, unless such expenses comprise Qualified Administrative Expenses With Respect to Nonpurpose Investments. An amount is constructively received when it is credited to the account of, set apart for, or otherwise made available to or for, a payee so that such amount may be drawn on by such payee (or could be so drawn on, assuming timely notice of the payee's intention to withdraw).

(b) Disposition Receipts. The amount corresponding to the Fair Market Value of an Investment that ceases to be allocated to the Series 2017 Bonds for reasons not related to its sale or retirement, determined as of the date of such cessation with respect to Investments which are subject to a yield restriction requirement and Investments allocable to the Series 2017 Bonds by application of the Universal Cap or the transferred proceeds rules.

(c) Installment Date Receipts. The amount corresponding to the Fair Market Value of a Nonpurpose Investment that continues to be allocated to the Series 2017 Bonds on any Computation Date. For this purpose, the Present Value of a fixed rate Nonpurpose Investment or Guaranteed Investment Contract may be substituted for its Fair Market Value.

(d) Rebate Receipts. The amount(s), if any, representing the recovery of rebate overpayments, determined as of the date of any such recovery.

(3) Nonpurpose Payments. For purposes of this subsection, payments with respect to a Nonpurpose Investment that is allocated to the Series 2017 Bonds (including a Nonpurpose Investment allocated to the Rebate Fund that was acquired with Gross Proceeds of the Series 2017 Bonds constituting Sale Proceeds or Investment Proceeds) consist of:

(a) Direct Payments. The amount of the Gross Proceeds of the Series 2017 Bonds that was used to purchase the Nonpurpose Investment, determined without regard to brokerage commissions, administrative expenses or similar expenses unless such amounts constitute Qualified Administrative Costs With Respect to Nonpurpose Investments.

(b) Constructive Payments. The amount that is equal to the Value of a Nonpurpose Investment which, although not directly purchased with the Gross Proceeds of the Series 2017 Bonds, is allocated to the Series 2017 Bonds, or becomes subject to inclusion in the rebate computation determined as of the date that such Investment becomes so allocated or includable.

(c) Nonpurpose Investments. The amount that is equal to the Value of a Nonpurpose Investment that was allocated to the Series 2017 Bonds at the end of the preceding Computation Period, which Value is determined at the beginning of the Computation Period.

(d) Computation Credit. An amount equal to \$1,000 on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2017 Bonds that are subject to the rebate requirement and on the final maturity date of the Series 2017 Bonds.

(G) Deposits to Rebate Fund. For each Computation Period specified in Section 6.3(D) of this Tax Regulatory Agreement, (1) if the Rebate Amount exceeds the amount on deposit in the Rebate Fund Principal Account, the Institution shall instruct the Trustee to withdraw an amount from the Project Fund prior to the Completion Date and deposit such amount in the Rebate Fund such that the balance in the Rebate Fund after such deposit shall equal the Rebate Amount; provided, however, that if the Completion Date has passed and/or if insufficient funds are available for such transfer in the Project Fund, the Institution shall contribute moneys from other sources in the amount necessary to deposit the full Rebate Amount in the Rebate Fund; and (2) if the amount in the Rebate Fund exceeds the Rebate Amount, the Institution shall instruct the Trustee to withdraw such excess amount from the Rebate Fund and deposit it (a) prior to the Completion Date, in the Project Fund to be used first to fund the completion of the Initial Tax-Exempt Project Facility, and then to redeem the Series 2017 Bonds in accordance with Article III of the Indenture, or (b) after the Completion Date, in the Bond Fund to be used to redeem the Series 2017 Bonds in accordance with Article III of the Indenture.

SECTION 6.4. PAYMENTS TO THE UNITED STATES. (A) Interim Rebate Payments. The Institution on behalf of the Issuer shall make the necessary arrangements to pay from the Rebate Fund to the United States, not later than sixty (60) days after the end of the fifth Bond Year, and not later than five (5) years after the preceding payment is made or should have been made if an amount were due, an amount such that, together with any such prior payments to the United States Treasury, the total amount paid to the United States is equal to ninety percent (90%) of the Rebate Amount due on such payment date, as determined pursuant to this Tax Regulatory Agreement. In addition, on the date that the Institution makes any such payment, the Institution shall pay or cause to be paid to the United States any additional amounts required to be paid under Section 148(f) of the Code. In the event that there are not sufficient funds on deposit in the Rebate Fund to make the payment pursuant to the preceding sentences, the Institution shall pay an additional amount into the Rebate Fund in the amount of such shortfall.

(B) Final Rebate Payment. The Institution shall make the necessary arrangements to pay from the Rebate Fund to the United States, not later than sixty (60) days after the last Outstanding Series 2017 Bonds are redeemed or otherwise paid in full, the balance, if any, of the Rebate Amount. In addition, on the date that the Institution makes any such payment, the Institution shall pay or cause to be paid to the United States any additional amounts required to be paid under Section 148(f) of the Code. In the event that there are not sufficient funds on deposit in the Rebate Fund to make the payment pursuant to the preceding sentences, the Institution shall pay an additional amount into the Rebate Fund in the amount of such shortfall.

(C) Place of Payment. The Institution shall make each payment of an installment of the Rebate Amount to the IRS Center, Ogden, Utah, 84201. Each payment shall be accompanied by a completed copy of IRS Form 8038-T, together with a copy of the IRS Form 8038 filed with respect to the Series 2017 Bonds and a statement prepared by the Institution summarizing the determination of the Rebate Amount.

SECTION 6.5. RECORDKEEPING. In connection with the rebate requirement, the Institution shall maintain the following records:

(A) Six Year Requirement. The Institution shall retain records of all information required by Section 6.3(A) of this Tax Regulatory Agreement as well as records of all calculations, determinations

and payments made pursuant to Section 6.3 of this Tax Regulatory Agreement until six (6) years after the retirement of the last Series 2017 Bonds.

(B) Furnishing Copies. The Institution shall record all amounts paid to the United States pursuant to Section 6.4 hereof. The Institution shall, upon request, furnish to the Issuer and the Trustee copies of all materials filed with the IRS relating to the subject matter of this Tax Regulatory Agreement.

SECTION 6.6. PROHIBITED PAYMENT COVENANT. The Institution covenants and agrees that the Institution shall not enter into any transaction to reduce the Yield on the investment of the Gross Proceeds of the Series 2017 Bonds in such a manner that the Rebate Amount is less than the Rebate Amount would have been had the transaction been at arm's length and had the Yield on the Series 2017 Bonds not been relevant to either party to such transaction.

## ARTICLE VII

### COVENANTS AND AMENDMENTS

SECTION 7.1. COMPLIANCE WITH THE CODE. (A) General. The Institution agrees not to take or omit to take any action with respect to the Financing Documents or the Tax-Exempt Project Facility that could cause interest paid or payable on the Series 2017 Bonds to be includable in gross income for federal income tax purposes.

(B) Use of Proceeds. The Institution agrees and covenants with the Issuer and with the Trustee that (1) the Institution will never permit the use of the Gross Proceeds of the Series 2017 Bonds, nor take or omit to take any action (or enter into any agreement or use or permit the use of the Initial Tax-Exempt Project Facility in any manner, or for any trade or business or other non-exempt use unrelated to the exempt purposes of the Institution), which could cause interest on the Series 2017 Bonds to be includable in gross income for federal income tax purposes, and (2) the Institution shall at all times do and perform all acts and things necessary or desirable and within its control in order to assure that interest paid on the Series 2017 Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation to the extent permitted under the Code.

(C) Subsequent Events. The Institution, the Issuer and the Trustee acknowledge that the covenants and conditions set forth in Articles II through VII of this Tax Regulatory Agreement are based upon the Code and the Treasury Regulations as they exist on the date hereof and that the Code or the Treasury Regulations may be subsequently interpreted or modified by the federal government in a manner which is inconsistent with the covenants set forth herein. The Institution agrees that any such subsequent modification or interpretation of the Code or the Treasury Regulations will be deemed a requirement that must be met pursuant to the general tax covenants set forth in subsection (A) or subsection (B) above.

(D) Modification in Response to Bond Counsel Opinion. Notwithstanding any provisions of this Tax Regulatory Agreement, if the Institution shall provide to the Trustee and the Issuer an opinion of Bond Counsel that any specified action required under this Tax Regulatory Agreement or the other Financing Documents is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2017 Bonds, the Trustee, the Issuer and the Institution may conclusively rely on such opinion in complying with the requirements of this Tax Regulatory Agreement and be protected in so doing, and the covenants hereunder shall be deemed to be modified to that extent.

(E) Arbitrage Consultant. The Institution will hire at its own expense an accounting firm or another person or firm with knowledge of or experience in advising with respect to the provisions of Section 148(f) of the Code (an "Arbitrage Consultant") to calculate the amount of rebatable arbitrage due to the United States of America.

(F) Defense of Tax-Exemption. The Issuer has advised the Institution that the IRS has an ongoing program of auditing tax-exempt obligations to determine whether in the view of the IRS the interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. The Issuer has advised the Institution that no assurances can be given as to whether or not the IRS will commence an audit of the Series 2017 Bonds and that, if an audit is commenced, under current procedures the IRS will treat the Issuer as the taxpayer and the Bondholders will have no right to participate in such procedure. The Institution hereby covenants, for the benefit of the Issuer and



the Bondholders, to defend any proceeding initiated by the IRS that might bring the tax status of the Series 2017 Bonds into question.

(G) Retention of Records. The Institution covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Tax Regulatory Agreement until the date three years after the last outstanding Series 2017 Bonds have been retired. If any of the Series 2017 Bonds are refunded by Tax-Exempt Obligations (the “Refunding Obligations”), the Institution covenants to maintain all records required to be retained by this Section 7.1(G) until the later of the date three years after the last outstanding Series 2017 Bonds have been retired or the date three years after the last Refunding Obligations have been retired. The records that must be retained include, but are not limited to:

- (1) Basic records and documents relating to the Series 2017 Bonds (including the Initial Financing Documents, this Initial Tax Regulatory Agreement, the Initial Information Return and the opinion of Bond Counsel relating to the Series 2017 Bonds);
- (2) Documentation evidencing the expenditure of the proceeds of the Series 2017 Bonds and proceeds of any debt refunded with the proceeds of the Series 2017 Bonds;
- (3) Documentation evidencing the use of the Initial Tax-Exempt Project Facility by public and private sources (i.e., copies of management contracts, research agreements, leases, etc.);
- (4) Documentation evidencing all sources of payment or security for the Series 2017 Bonds; and
- (5) Documentation pertaining to any investment of Proceeds of the Series 2017 Bonds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of Investments, actual investment income received from the investment of Proceeds, Guaranteed Investment Contracts, and rebate calculations).

SECTION 7.2. AMENDMENT. This Tax Regulatory Agreement may be amended or supplemented only with the concurring written consent of the Issuer, the Institution and the Trustee.

SECTION 7.3. NOTICES. (A) General. Any notice, demand, direction, certificate, opinion of counsel, request, instrument or other communication authorized or required by this Tax Regulatory Agreement to be given to or filed with the Issuer, the Institution or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Tax Regulatory Agreement if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid to the address for such party specified pursuant to Section 1103 of the Indenture.

(B) Subsequent Addresses. The Issuer, the Institution and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, demands, directions, certificates, opinions of counsel, requests, instruments or other communications hereunder shall be sent. Any notice, demand, direction, certificate, opinion of counsel, request, instrument or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

SECTION 7.4. RELIANCE. (A) General. Nothing in this Tax Regulatory Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer,

the Trustee and the Holders from time to time of the Series 2017 Bonds, any right, remedy or claim under or by reason of this Tax Regulatory Agreement or any covenant, condition or stipulation thereof.

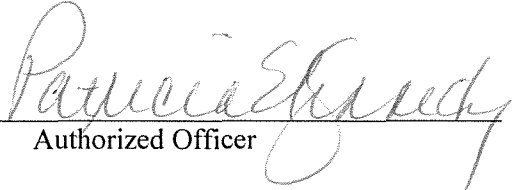
(B) Reliance by Issuer. This Tax Regulatory Agreement is executed, in part, for the purpose of setting forth the facts and estimates upon which the Issuer may base its reasonable expectations that none of the Series 2017 Bonds is an “arbitrage bond” under (1) Section 148 of the Code and (2) Sections 1.148-0 through 1.148-11 of the Treasury Regulations. The representations set forth may be relied upon by the Issuer in issuing its Arbitrage Certificate.

SECTION 7.5. PARTIES INTERESTED HEREIN. Nothing in this Tax Regulatory Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Institution or the Trustee, any right, remedy or claim under or by reason of this Tax Regulatory Agreement or any covenant, condition or stipulation thereof.

SECTION 7.6. APPLICABLE LAW. Except to the extent that this Tax Regulatory Agreement is governed by the provisions of the Code, this Tax Regulatory Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Institution has caused this Tax Regulatory Agreement to be executed in its name and on its behalf for the benefit of the Issuer, the Trustee and the holders from time to time of the Series 2017 Bonds, all being done as of the day and year first above written.

SPRINGBROOK NY, INC.

BY:   
Authorized Officer

**SCHEDULE A**

**USE OF PROCEEDS OF THE SERIES 2017 BONDS**

(A) **THE SERIES 2017 PROJECT:** (1) The Series 2017 Bonds will be applied to fund the Series 2017 Project (the “Proceeds”) in the amount of \$10,500,000, is expected to be available for the payment of the costs of the acquisition, construction and installation of the Series 2017 Project Facility. The Proceeds will be advanced by the Bank as the Institution requires funds.

(2) **Summary of the Series 2017 Project.** The following analysis shows the various items of the Series 2017 Project, the useful economic life of each such item (based on the ADR System, Rev. Proc. 83-35, or Rev. Proc. 62-21), the initial cost of each such item, and the portion thereof funded out of the proceeds of the Proceeds:

Item	Useful Economic Life	Total Original Cost	Amount to be Funded by Proceeds of the Series 2017 Bonds
Land	XXXXX	\$0.00	\$0.00
New Building	25	\$9,000,000.00	\$9,000,000.00
Equipment	5	\$500,000.00	\$500,000.00
<b>TOTAL</b>	XXXXX	<b>\$9,500,000.00</b>	<b>\$9,500,000.00</b>

(B) **ISSUANCE COSTS OF THE SERIES 2017 BONDS:** Not more than \$210,000.00 of the Sale Proceeds of the Series 2017 Bonds will be used to pay Issuance Costs of the Series 2017 Bonds, including some or all of the following costs:

(1)	Administrative fee of the Issuer	\$26,250.00
(2)	Issuer Counsel	\$10,000.00
(3)	Bond Counsel	\$62,900.00
(4)	Trustee Acceptance, Annual Fee and Counsel Fees	\$9,000.00
(5)	Institution’s Counsel	\$35,000.00
(6)	Bank Upfront Fee	\$26,350.00
(7)	Bank Counsel	\$39,500.00
(8)	Public Notice Publication	<u>\$267.26</u>
(9)	<b>TOTAL</b>	<b>\$209,267.26</b>
(10)	Amount of issuance costs to be financed out of proceeds of the Series 2017 Bonds (subject to 2% maximum, or \$210,000.00):	<b>\$209,267.26</b>

(C) **OTHER ISSUANCE COSTS OUTSIDE 2% LIMIT:** Not more than \$315,000.00 of the Sale Proceeds of the Series 2017 Bonds will be used to pay other issuance costs of the Series 2017 Bonds, including some or all of the following costs:

(1)	Issuer Administrative Fee (Non 2%)	\$78,750.00
(2)	Bond Counsel Fees re Prior Bonds Amendments	\$9,000.00
(3)	Appraisal/Environmental	\$7,800.00
(4)	Title Insurance	\$22,477.00
(5)	Recording Fees	\$375.00
(6)	Survey Fees	\$14,295.00
(7)	Total Fees	\$132,697.00
(8)	Amount of other issuance costs to be financed out of proceeds of the Series 2017 Bonds (subject to 3% maximum, or \$315,000.00):	\$132,697.00

**SCHEDULE B**

**SOURCES FOR PAYMENT OF PROJECT COSTS**

<u>ITEM</u>	<u>AMOUNT</u>
(A) <u>Bond Proceeds.</u>	
(1) Original Proceeds of the Series 2017 Bonds	\$10,500,000.00
(2) Transferred Proceeds of the Series 2017 Bonds	\$0.00
(3) Other	\$0.00
(4) TOTAL BOND PROCEEDS	\$10,500,000.00
(B) <u>Investment Earnings.</u>	
(1) Anticipated investment earnings on the Project Fund:	\$0.00
(2) Less expected arbitrage rebate	\$0.00
(3) TOTAL NET EARNINGS:	\$0.00
(C) <u>Equity.</u>	
(1) Institution Equity	\$0.00
(2) Other	\$0.00
(3) TOTAL EQUITY	\$0.00
(D) TOTAL SOURCE OF FUNDS sum of items (A)(4), (B)(3), and (C)(3) above:	<b>\$10,500,000.00</b>

## SCHEDULE C

### ACRS CLASSIFICATIONS

The following information with respect to the classification of the assets being financed or refinanced with proceeds of the Series 2017 Bonds under the Accelerated Cost Recovery System (“ACRS”) is furnished to complete IRS Form 8038 relating to the assets being financed or refinanced with proceeds of the Series 2017 Bonds:

(1)	Cost of Equipment with an ACRS Life of 5 years or less (or portion thereof to be financed by the Series 2017 Bonds)	\$500,000.00
(2)	Cost of Equipment with an ACRS Life of 5 years or more (or portion thereof to be financed by the Series 2017 Bonds)	\$0.00
(3)	Cost of Land (or portion thereof to be financed by the Series 2017 Bonds)	\$0.00
(4)	Cost of Buildings and Structures (or portion thereof to be financed by the Series 2017 Bonds)	\$9,000,000.00
(5)	Cost of other Property to be financed by the Series 2017 Bonds (Capitalized Interest, Contingency, Title Insurance)	\$790,000.00
(6)	TOTAL	\$10,290,000.00

**SCHEDULE D**

**AVERAGE ECONOMIC LIFE OF THE INITIAL TAX-EXEMPT  
PROJECT FACILITY; MAXIMUM AVERAGE MATURITY OF  
THE SERIES 2017 BONDS**

The following information is set forth to determine the Average Economic Life of that portion of the Series 2017 Project Facility to be financed with the proceeds of the Series 2017 Bonds:

<b>Weighted Average Life of Series 2017 Project Facility</b>							
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Asset</b>	<b>Useful Economic Life</b>	<b>Total Original Cost</b>	<b>Amount Funded by New Debt</b>	<b>Expected Placed in Service Date</b>	<b>Weighted Cost</b>	<b>Time Interval</b>	<b>Weighted Cost</b>
New Building	25	\$9,000,000.00	\$9,000,000.00	Varies	225,000,000.00	Varies	225,000,000.00
Equipment	5	\$500,000.00	\$500,000.00	Varies	2,500,000.00	Varies	2,500,000.00
<b>TOTALS</b>		<b>\$9,500,000.00</b>	<b>\$9,500,000.00</b>		<b>227,500,000.00</b>		<b>227,500,000.00</b>

<b>Maturity Limitation on Series 2017 Bonds</b>		
Weighted Economic Life (F/C) =	23.9474	years
Multiply by 120% =	28.7368	years
Placed in Service Adjustment (H/C) =	0	years
Maximum Average Maturity =	28.7368	years



**SCHEDULE E**

**YIELD ON AND AVERAGE MATURITY OF  
THE SERIES 2017 BONDS**

Attached hereto is a calculation prepared by the Bank showing the Weighted Average Maturity of the Series 2017 Bonds. According to the Bank's calculations, the "average maturity" of the Series 2017 Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Code, is **15.7721 years**.

Average Maturity of Bonds

10,500,000.00

Issuer / Project: Otsego County Capital Resource Corporation Springbrook NY, Inc.  
 Issue Date: March 27, 2016

Average Weighted Maturity =  $\frac{165,606,718.19}{10,500,000.00}$  15.772068 years

(A) Aggregate Issue Price	Payment Date	Days to Maturity 12/360 Method	(B)	(C)	Series A	Series B	Series C
			Years to Maturity	Bond Years			
11,514.91	4/1/2018	724	2.01111	23,157.76	11,514.91		
11,548.97	5/1/2018	754	2.09444	24,188.68	11,548.97		
11,583.14	6/1/2018	784	2.17778	25,225.50	11,583.14		
11,617.40	7/1/2018	814	2.26111	26,268.23	11,617.40		
11,651.77	8/1/2018	844	2.34444	27,316.93	11,651.77		
11,686.24	9/1/2018	874	2.42778	28,371.59	11,686.24		
11,720.81	10/1/2018	904	2.51111	29,432.26	11,720.81		
11,755.49	11/1/2018	934	2.59444	30,498.97	11,755.49		
11,790.27	12/1/2018	964	2.67778	31,571.72	11,790.27		
11,825.14	1/1/2019	994	2.76111	32,650.53	11,825.14		
11,860.13	2/1/2019	1,024	2.84444	33,735.48	11,860.13		
11,895.21	3/1/2019	1,054	2.92778	34,826.53	11,895.21		
11,930.40	4/1/2019	1,084	3.01111	35,923.76	11,930.40		
21,753.54	5/1/2019	1,114	3.09444	67,315.12	11,965.70	9,787.84	
21,814.64	6/1/2019	1,144	3.17778	69,322.08	12,001.10	9,813.54	
21,875.90	7/1/2019	1,174	3.26111	71,339.74	12,036.60	9,839.30	
21,937.33	8/1/2019	1,204	3.34444	73,368.18	12,072.21	9,865.12	
31,231.61	9/1/2019	1,234	3.42778	107,055.02	12,107.92	9,891.02	9,232.67
31,320.71	10/1/2019	1,264	3.51111	109,970.49	12,143.74	9,916.98	9,259.99
31,410.07	11/1/2019	1,294	3.59444	112,901.75	12,179.67	9,943.02	9,287.38
31,499.68	12/1/2019	1,324	3.67778	115,848.82	12,215.70	9,969.12	9,314.86
31,589.54	1/1/2020	1,354	3.76111	118,811.77	12,251.84	9,995.29	9,342.41
31,679.65	2/1/2020	1,384	3.84444	121,790.65	12,288.08	10,021.52	9,370.05
31,770.03	3/1/2020	1,414	3.92778	124,785.62	12,324.43	10,047.83	9,397.77
31,860.66	4/1/2020	1,444	4.01111	127,796.65	12,360.89	10,074.20	9,425.57
31,951.57	5/1/2020	1,474	4.09444	130,823.93	12,397.46	10,100.65	9,453.46
32,042.72	6/1/2020	1,504	4.17778	133,867.36	12,434.14	10,127.16	9,481.42
32,134.14	7/1/2020	1,534	4.26111	136,927.14	12,470.92	10,153.75	9,509.47
32,225.81	8/1/2020	1,564	4.34444	140,003.24	12,507.81	10,180.40	9,537.60
32,317.76	9/1/2020	1,594	4.42778	143,095.86	12,544.82	10,207.12	9,565.82
32,409.97	10/1/2020	1,624	4.51111	146,204.98	12,581.93	10,233.92	9,594.12
32,502.43	11/1/2020	1,654	4.59444	149,330.61	12,619.15	10,260.78	9,622.50
32,595.17	12/1/2020	1,684	4.67778	152,472.96	12,656.48	10,287.72	9,650.97
32,688.16	1/1/2021	1,714	4.76111	155,631.96	12,693.92	10,314.72	9,679.52
32,781.43	2/1/2021	1,744	4.84444	158,807.82	12,731.48	10,341.80	9,708.15
32,874.96	3/1/2021	1,774	4.92778	162,000.50	12,769.14	10,368.95	9,736.87
32,968.76	4/1/2021	1,804	5.01111	165,210.12	12,806.92	10,396.16	9,765.68
33,062.82	5/1/2021	1,834	5.09444	168,436.70	12,844.80	10,423.45	9,794.57
33,157.16	6/1/2021	1,864	5.17778	171,680.41	12,882.80	10,450.82	9,823.54
33,251.77	7/1/2021	1,894	5.26111	174,941.26	12,920.91	10,478.25	9,852.61
33,346.64	8/1/2021	1,924	5.34444	178,219.26	12,959.14	10,505.75	9,881.75
33,441.80	9/1/2021	1,954	5.42778	181,514.66	12,997.48	10,533.33	9,910.99
33,537.22	10/1/2021	1,984	5.51111	184,827.35	13,035.93	10,560.98	9,940.31
33,632.90	11/1/2021	2,014	5.59444	188,157.39	13,074.49	10,588.70	9,969.71
33,728.88	12/1/2021	2,044	5.67778	191,505.09	13,113.17	10,616.50	9,999.21
33,825.12	1/1/2022	2,074	5.76111	194,870.27	13,151.96	10,644.37	10,028.79
33,921.64	2/1/2022	2,104	5.84444	198,253.14	13,190.87	10,672.31	10,058.46
34,018.42	3/1/2022	2,134	5.92778	201,653.63	13,229.89	10,700.32	10,088.21
34,115.50	4/1/2022	2,164	6.01111	205,072.06	13,269.03	10,728.41	10,118.06
34,212.86	5/1/2022	2,194	6.09444	208,508.37	13,308.29	10,756.58	10,147.99
34,310.48	6/1/2022	2,224	6.17778	211,962.52	13,347.66	10,784.81	10,178.01
34,408.38	7/1/2022	2,254	6.26111	215,434.69	13,387.14	10,813.12	10,208.12
34,506.58	8/1/2022	2,284	6.34444	218,925.08	13,426.75	10,841.51	10,238.32
34,605.04	9/1/2022	2,314	6.42778	222,433.51	13,466.47	10,869.96	10,268.61
34,703.80	10/1/2022	2,344	6.51111	225,960.30	13,506.31	10,898.50	10,298.99
34,802.82	11/1/2022	2,374	6.59444	229,505.26	13,546.26	10,927.11	10,329.45
34,902.14	12/1/2022	2,404	6.67778	233,068.73	13,586.34	10,955.79	10,360.01
35,001.74	1/1/2023	2,434	6.76111	236,650.65	13,626.53	10,984.55	10,390.66
35,101.62	2/1/2023	2,464	6.84444	240,251.09	13,666.84	11,013.38	10,421.40
35,201.79	3/1/2023	2,494	6.92778	243,870.18	13,707.27	11,042.29	10,452.23
35,302.25	4/1/2023	2,524	7.01111	247,508.00	13,747.82	11,071.28	10,483.15
24,302.65	5/1/2023	2,554	7.09444	172,413.80	13,788.49		10,514.16
24,374.55	6/1/2023	2,584	7.17778	174,955.10	13,829.28		10,545.27
24,446.66	7/1/2023	2,614	7.26111	177,509.91	13,870.20		10,576.46
24,518.98	8/1/2023	2,644	7.34444	180,078.29	13,911.23		10,607.75
24,591.51	9/1/2023	2,674	7.42778	182,660.27	13,952.38		10,639.13
24,664.27	10/1/2023	2,704	7.51111	185,256.07	13,993.66		10,670.61
24,737.23	11/1/2023	2,734	7.59444	187,865.52	14,035.06		10,702.17
24,810.42	12/1/2023	2,764	7.67778	190,488.89	14,076.58		10,733.84
24,883.81	1/1/2024	2,794	7.76111	193,126.01	14,118.22		10,765.59
24,957.43	2/1/2024	2,824	7.84444	195,777.17	14,159.99		10,797.44
25,031.26	3/1/2024	2,854	7.92778	198,442.27	14,201.88		10,829.38
25,105.31	4/1/2024	2,884	8.01111	201,121.43	14,243.89		10,861.42
25,179.58	5/1/2024	2,914	8.09444	203,814.71	14,286.03		10,893.55
25,254.07	6/1/2024	2,944	8.17778	206,522.17	14,328.29		10,925.78
25,328.78	7/1/2024	2,974	8.26111	209,243.87	14,370.68		10,958.10
25,403.71	8/1/2024	3,004	8.34444	211,979.85	14,413.19		10,990.52
25,478.86	9/1/2024	3,034	8.42778	214,730.17	14,455.83		11,023.03
25,554.24	10/1/2024	3,064	8.51111	217,494.98	14,498.60		11,055.64
25,629.84	11/1/2024	3,094	8.59444	220,274.24	14,541.49		11,088.35
25,705.66	12/1/2024	3,124	8.67778	223,068.01	14,584.51		11,121.15
25,781.70	1/1/2025	3,154	8.76111	225,876.34	14,627.65		11,154.05
25,857.98	2/1/2025	3,184	8.84444	228,699.47	14,670.93		11,187.05
25,934.47	3/1/2025	3,214	8.92778	231,537.18	14,714.33		11,220.14

(A) Aggregate Issue Price	Payment Date	(B)		(C) Bond Years	Series A	Series B	Series C
		Days to Maturity 12/360 Method	Years to Maturity				
26,011.19	4/1/2025	3,244	9.01111	234,389.72	14,757.86		11,253.33
26,088.14	5/1/2025	3,274	9.09444	237,257.14	14,801.52		11,286.62
26,165.31	6/1/2025	3,304	9.17778	240,139.40	14,845.30		11,320.01
26,242.72	7/1/2025	3,334	9.26111	243,036.75	14,889.22		11,353.50
26,320.36	8/1/2025	3,364	9.34444	245,949.14	14,933.27		11,387.09
26,398.23	9/1/2025	3,394	9.42778	248,876.65	14,977.45		11,420.78
26,476.31	10/1/2025	3,424	9.51111	251,819.13	15,021.75		11,454.56
26,554.64	11/1/2025	3,454	9.59444	254,777.02	15,066.19		11,488.45
26,633.20	12/1/2025	3,484	9.67778	257,750.19	15,110.76		11,522.44
26,711.99	1/1/2026	3,514	9.76111	260,738.70	15,155.47		11,556.52
26,791.01	2/1/2026	3,544	9.84444	263,742.61	15,200.30		11,590.71
26,870.27	3/1/2026	3,574	9.92778	266,762.07	15,245.27		11,625.00
26,949.76	4/1/2026	3,604	10.01111	269,797.04	15,290.37		11,659.39
27,029.48	5/1/2026	3,634	10.09444	272,847.58	15,335.60		11,693.88
27,109.45	6/1/2026	3,664	10.17778	275,913.96	15,380.97		11,728.48
27,189.64	7/1/2026	3,694	10.26111	278,995.92	15,426.47		11,763.17
27,270.08	8/1/2026	3,724	10.34444	282,093.83	15,472.11		11,797.97
27,350.76	9/1/2026	3,754	10.42778	285,207.65	15,517.88		11,832.88
27,431.67	10/1/2026	3,784	10.51111	288,337.33	15,563.79		11,867.99
27,512.82	11/1/2026	3,814	10.59444	291,483.04	15,609.83		11,902.99
27,594.21	12/1/2026	3,844	10.67778	294,644.84	15,656.01		11,938.20
27,675.85	1/1/2027	3,874	10.76111	297,822.90	15,702.33		11,973.52
27,757.72	2/1/2027	3,904	10.84444	301,017.05	15,748.78		12,008.94
27,839.84	3/1/2027	3,934	10.92778	304,227.58	15,795.37		12,044.47
27,922.20	4/1/2027	3,964	11.01111	307,454.45	15,842.10		12,080.10
28,004.80	5/1/2027	3,994	11.09444	310,697.70	15,888.96		12,115.84
28,087.65	6/1/2027	4,024	11.17778	313,957.51	15,935.97		12,151.68
28,170.74	7/1/2027	4,054	11.26111	317,233.83	15,983.11		12,187.63
28,254.08	8/1/2027	4,084	11.34444	320,526.84	16,030.40		12,223.68
28,337.67	9/1/2027	4,114	11.42778	323,836.60	16,077.82		12,259.85
28,421.50	10/1/2027	4,144	11.51111	327,163.04	16,125.38		12,296.12
28,505.58	11/1/2027	4,174	11.59444	330,506.36	16,173.09		12,332.49
28,589.90	12/1/2027	4,204	11.67778	333,866.50	16,220.93		12,368.97
28,674.49	1/1/2028	4,234	11.76111	337,243.86	16,268.92		12,405.57
28,759.32	2/1/2028	4,264	11.84444	340,638.17	16,317.05		12,442.27
28,844.39	3/1/2028	4,294	11.92778	344,049.47	16,365.32		12,479.07
28,929.72	4/1/2028	4,324	12.01111	347,478.08	16,413.73		12,515.99
29,015.31	5/1/2028	4,354	12.09444	350,924.05	16,462.29		12,553.02
29,101.14	6/1/2028	4,384	12.17778	354,387.22	16,510.99		12,590.15
29,187.24	7/1/2028	4,414	12.26111	357,867.99	16,559.84		12,627.40
29,273.59	8/1/2028	4,444	12.34444	361,366.21	16,608.83		12,664.76
29,360.18	9/1/2028	4,474	12.42778	364,881.79	16,657.96		12,702.22
29,447.04	10/1/2028	4,504	12.51111	368,415.19	16,707.24		12,739.80
29,534.16	11/1/2028	4,534	12.59444	371,966.34	16,756.67		12,777.49
29,621.53	12/1/2028	4,564	12.67778	375,535.17	16,806.24		12,815.29
29,709.16	1/1/2029	4,594	12.76111	379,121.89	16,855.96		12,853.20
29,797.04	2/1/2029	4,624	12.84444	382,726.42	16,905.82		12,891.22
29,885.20	3/1/2029	4,654	12.92778	386,349.22	16,955.84		12,929.36
29,973.61	4/1/2029	4,684	13.01111	389,989.97	17,006.00		12,967.61
30,062.28	5/1/2029	4,714	13.09444	393,648.86	17,056.31		13,005.97
30,151.21	6/1/2029	4,744	13.17778	397,325.95	17,106.76		13,044.45
30,240.41	7/1/2029	4,774	13.26111	401,021.44	17,157.37		13,083.04
30,329.87	8/1/2029	4,804	13.34444	404,735.27	17,208.13		13,121.74
30,419.60	9/1/2029	4,834	13.42778	408,467.63	17,259.04		13,160.56
30,509.58	10/1/2029	4,864	13.51111	412,218.33	17,310.09		13,199.49
30,599.84	11/1/2029	4,894	13.59444	415,987.82	17,361.30		13,238.54
30,690.37	12/1/2029	4,924	13.67778	419,776.06	17,412.66		13,277.71
30,781.17	1/1/2030	4,954	13.76111	423,583.10	17,464.18		13,316.99
30,872.22	2/1/2030	4,984	13.84444	427,408.73	17,515.84		13,356.38
30,963.56	3/1/2030	5,014	13.92778	431,253.58	17,567.66		13,395.90
31,055.16	4/1/2030	5,044	14.01111	435,117.30	17,619.63		13,435.53
31,147.02	5/1/2030	5,074	14.09444	438,999.94	17,671.75		13,475.27
31,239.17	6/1/2030	5,104	14.17778	442,902.01	17,724.03		13,515.14
31,331.59	7/1/2030	5,134	14.26111	446,823.29	17,776.47		13,555.12
31,424.28	8/1/2030	5,164	14.34444	450,763.84	17,829.06		13,595.22
31,517.24	9/1/2030	5,194	14.42778	454,723.73	17,881.80		13,635.44
31,610.48	10/1/2030	5,224	14.51111	458,703.19	17,934.70		13,675.78
31,703.99	11/1/2030	5,254	14.59444	462,702.12	17,987.76		13,716.23
31,797.78	12/1/2030	5,284	14.67778	466,720.75	18,040.97		13,756.81
31,891.85	1/1/2031	5,314	14.76111	470,759.14	18,094.34		13,797.51
31,986.20	2/1/2031	5,344	14.84444	474,817.37	18,147.87		13,838.33
32,080.82	3/1/2031	5,374	14.92778	478,895.35	18,201.56		13,879.26
32,175.73	4/1/2031	5,404	15.01111	482,993.46	18,255.41		13,920.32
32,270.92	5/1/2031	5,434	15.09444	487,111.61	18,309.41		13,961.51
32,366.39	6/1/2031	5,464	15.17778	491,249.87	18,363.58		14,002.81
32,462.13	7/1/2031	5,494	15.26111	495,408.17	18,417.90		14,044.23
32,558.17	8/1/2031	5,524	15.34444	499,587.03	18,472.39		14,085.78
32,654.49	9/1/2031	5,554	15.42778	503,786.22	18,527.04		14,127.45
32,751.08	10/1/2031	5,584	15.51111	508,005.64	18,581.84		14,169.24
32,847.98	11/1/2031	5,614	15.59444	512,246.00	18,636.82		14,211.16
32,945.15	12/1/2031	5,644	15.67778	516,506.74	18,691.95		14,253.20
33,042.62	1/1/2032	5,674	15.76111	520,788.41	18,747.25		14,295.37
33,140.37	2/1/2032	5,704	15.84444	525,090.75	18,802.71		14,337.66
33,238.41	3/1/2032	5,734	15.92778	529,414.01	18,858.33		14,380.08
33,336.74	4/1/2032	5,764	16.01111	533,758.25	18,914.12		14,422.62
33,435.36	5/1/2032	5,794	16.09444	538,123.54	18,970.08		14,465.28
33,534.28	6/1/2032	5,824	16.17778	542,510.13	19,026.20		14,508.08
33,633.48	7/1/2032	5,854	16.26111	546,917.76	19,082.48		14,551.00
33,732.97	8/1/2032	5,884	16.34444	551,346.65	19,138.93		14,594.04

(A)		(B)	(C)				
Aggregate Issue Price	Payment Date	Days to Maturity 12/360 Method	Years to Maturity	Bond Years	Series A	Series B	Series C
33,832.77	9/1/2032	5,914	16.42778	555,797.23	19,195.55		14,637.22
33,932.86	10/1/2032	5,944	16.51111	560,269.22	19,252.34		14,680.52
34,033.24	11/1/2032	5,974	16.59444	564,762.71	19,309.29		14,723.95
34,133.93	12/1/2032	6,004	16.67778	569,278.10	19,366.42		14,767.51
34,234.90	1/1/2033	6,034	16.76111	573,814.96	19,423.71		14,811.19
34,336.18	2/1/2033	6,064	16.84444	578,373.88	19,481.17		14,855.01
34,437.76	3/1/2033	6,094	16.92778	582,954.75	19,538.80		14,898.96
34,539.64	4/1/2033	6,124	17.01111	587,557.65	19,596.61		14,943.03
34,641.82	5/1/2033	6,154	17.09444	592,182.67	19,654.58		14,987.24
34,744.30	6/1/2033	6,184	17.17778	596,829.86	19,712.72		15,031.58
34,847.08	7/1/2033	6,214	17.26111	601,499.32	19,771.04		15,076.04
34,950.17	8/1/2033	6,244	17.34444	606,191.28	19,829.53		15,120.64
35,053.57	9/1/2033	6,274	17.42778	610,905.83	19,888.19		15,165.38
35,157.27	10/1/2033	6,304	17.51111	615,642.86	19,947.03		15,210.24
35,261.28	11/1/2033	6,334	17.59444	620,402.63	20,006.04		15,255.24
35,365.59	12/1/2033	6,364	17.67778	625,185.04	20,065.22		15,300.37
35,470.21	1/1/2034	6,394	17.76111	629,990.34	20,124.58		15,345.63
35,575.15	2/1/2034	6,424	17.84444	634,818.79	20,184.12		15,391.03
35,680.39	3/1/2034	6,454	17.92778	639,670.10	20,243.83		15,436.56
35,785.95	4/1/2034	6,484	18.01111	644,544.72	20,303.72		15,482.23
35,891.81	5/1/2034	6,514	18.09444	649,442.36	20,363.78		15,528.03
35,998.00	6/1/2034	6,544	18.17778	654,363.64	20,424.03		15,573.97
36,104.49	7/1/2034	6,574	18.26111	659,308.10	20,484.45		15,620.04
36,211.30	8/1/2034	6,604	18.34444	664,276.18	20,545.05		15,666.25
36,318.42	9/1/2034	6,634	18.42778	669,267.77	20,605.83		15,712.59
36,425.86	10/1/2034	6,664	18.51111	674,283.14	20,666.78		15,759.08
36,533.62	11/1/2034	6,694	18.59444	679,322.37	20,727.92		15,805.70
36,641.70	12/1/2034	6,724	18.67778	684,385.53	20,789.24		15,852.46
36,750.10	1/1/2035	6,754	18.76111	689,472.71	20,850.75		15,899.35
36,858.82	2/1/2035	6,784	18.84444	694,583.99	20,912.43		15,946.39
36,967.85	3/1/2035	6,814	18.92778	699,719.25	20,974.29		15,993.56
37,077.22	4/1/2035	6,844	19.01111	704,879.15	21,036.34		16,040.88
37,186.91	5/1/2035	6,874	19.09444	710,063.39	21,098.58		16,088.33
37,296.92	6/1/2035	6,904	19.17778	715,272.04	21,160.99		16,135.93
37,407.25	7/1/2035	6,934	19.26111	720,505.20	21,223.59		16,183.66
37,517.92	8/1/2035	6,964	19.34444	725,763.32	21,286.38		16,231.54
37,628.91	9/1/2035	6,994	19.42778	731,046.10	21,349.35		16,279.56
37,740.23	10/1/2035	7,024	19.51111	736,353.82	21,412.51		16,327.72
37,851.88	11/1/2035	7,054	19.59444	741,686.56	21,475.86		16,376.02
37,963.86	12/1/2035	7,084	19.67778	747,044.40	21,539.39		16,424.47
38,076.17	1/1/2036	7,114	19.76111	752,427.43	21,603.11		16,473.06
38,188.81	2/1/2036	7,144	19.84444	757,835.72	21,667.02		16,521.79
38,301.78	3/1/2036	7,174	19.92778	763,269.36	21,731.12		16,570.66
38,415.10	4/1/2036	7,204	20.01111	768,728.83	21,795.41		16,619.69
38,528.73	5/1/2036	7,234	20.09444	774,213.42	21,859.88		16,668.85
38,642.71	6/1/2036	7,264	20.17778	779,724.02	21,924.55		16,718.16
38,757.03	7/1/2036	7,294	20.26111	785,260.49	21,989.41		16,767.62
38,871.69	8/1/2036	7,324	20.34444	790,822.94	22,054.46		16,817.23
38,986.69	9/1/2036	7,354	20.42778	796,411.44	22,119.71		16,866.98
39,102.03	10/1/2036	7,384	20.51111	802,026.08	22,185.15		16,916.88
39,217.70	11/1/2036	7,414	20.59444	807,666.74	22,250.78		16,966.92
39,333.72	12/1/2036	7,444	20.67778	813,333.92	22,316.60		17,017.12
39,450.08	1/1/2037	7,474	20.76111	819,027.49	22,382.62		17,067.46
39,566.79	2/1/2037	7,504	20.84444	824,747.76	22,448.84		17,117.95
39,683.84	3/1/2037	7,534	20.92778	830,494.58	22,515.25		17,168.59
39,801.24	4/1/2037	7,564	21.01111	836,268.28	22,581.86		17,219.38
39,918.98	5/1/2037	7,594	21.09444	842,068.71	22,648.66		17,270.32
40,037.07	6/1/2037	7,624	21.17778	847,896.17	22,715.66		17,321.41
40,155.51	7/1/2037	7,654	21.26111	853,750.76	22,782.86		17,372.65
40,274.31	8/1/2037	7,684	21.34444	859,632.77	22,850.26		17,424.05
40,393.46	9/1/2037	7,714	21.42778	865,542.08	22,917.86		17,475.60
40,512.95	10/1/2037	7,744	21.51111	871,478.57	22,985.66		17,527.29
40,632.81	11/1/2037	7,774	21.59444	877,442.96	23,053.66		17,579.15
40,753.01	12/1/2037	7,804	21.67778	883,434.69	23,121.86		17,631.15
40,873.57	1/1/2038	7,834	21.76111	889,454.30	23,190.26		17,683.31
40,994.49	2/1/2038	7,864	21.84444	895,501.86	23,258.87		17,735.62
41,115.76	3/1/2038	7,894	21.92778	901,577.25	23,327.67		17,788.09
41,237.40	4/1/2038	7,924	22.01111	907,680.99	23,396.69		17,840.71
41,359.39	5/1/2038	7,954	22.09444	913,812.74	23,465.90		17,893.49
41,481.75	6/1/2038	7,984	22.17778	919,973.03	23,535.32		17,946.43
41,604.47	7/1/2038	8,014	22.26111	926,161.73	23,604.95		17,999.52
41,727.55	8/1/2038	8,044	22.34444	932,378.92	23,674.78		18,052.77
41,850.98	9/1/2038	8,074	22.42778	938,624.48	23,744.81		18,106.17
41,974.80	10/1/2038	8,104	22.51111	944,899.39	23,815.06		18,159.74
42,098.97	11/1/2038	8,134	22.59444	951,202.84	23,885.51		18,213.46
42,223.51	12/1/2038	8,164	22.67778	957,535.38	23,956.17		18,267.34
42,348.42	1/1/2039	8,194	22.76111	963,897.09	24,027.04		18,321.38
42,473.70	2/1/2039	8,224	22.84444	970,288.08	24,098.12		18,375.58
42,599.35	3/1/2039	8,254	22.92778	976,708.43	24,169.41		18,429.94
42,725.39	4/1/2039	8,284	23.01111	983,158.70	24,240.92		18,484.47
42,851.78	5/1/2039	8,314	23.09444	989,638.05	24,312.63		18,539.15
42,978.54	6/1/2039	8,344	23.17778	996,147.05	24,384.55		18,593.99
43,105.69	7/1/2039	8,374	23.26111	1,002,686.24	24,456.69		18,649.00
43,233.21	8/1/2039	8,404	23.34444	1,009,255.27	24,529.04		18,704.17
43,361.11	9/1/2039	8,434	23.42778	1,015,854.45	24,601.61		18,759.50
43,489.39	10/1/2039	8,464	23.51111	1,022,483.88	24,674.39		18,815.00
43,618.04	11/1/2039	8,494	23.59444	1,029,143.42	24,747.38		18,870.66
43,747.08	12/1/2039	8,524	23.67778	1,035,833.64	24,820.59		18,926.49
43,876.50	1/1/2040	8,554	23.76111	1,042,554.39	24,894.02		18,982.48

(A) Aggregate Issue Price	Payment Date	Days to Maturity 12/360 Method	(B)		(C)		
			Years to Maturity	Bond Years	Series A	Series B	Series C
44,006.31	2/1/2040	8,584	23.84444	1,049,306.01	24,967.67		19,038.64
44,136.49	3/1/2040	8,614	23.92778	1,056,088.12	25,041.53		19,094.96
44,267.06	4/1/2040	8,644	24.01111	1,062,901.30	25,115.61		19,151.45
44,398.01	5/1/2040	8,674	24.09444	1,069,745.39	25,189.91		19,208.10
44,529.36	6/1/2040	8,704	24.17778	1,076,620.97	25,264.43		19,264.93
44,661.09	7/1/2040	8,734	24.26111	1,083,527.67	25,339.17		19,321.92
44,793.21	8/1/2040	8,764	24.34444	1,090,465.81	25,414.13		19,379.08
44,925.73	9/1/2040	8,794	24.42778	1,097,435.75	25,489.32		19,436.41
45,058.63	10/1/2040	8,824	24.51111	1,104,437.09	25,564.72		19,493.91
45,191.93	11/1/2040	8,854	24.59444	1,111,470.41	25,640.35		19,551.58
45,325.62	12/1/2040	8,884	24.67778	1,118,535.58	25,716.20		19,609.42
45,459.71	1/1/2041	8,914	24.76111	1,125,632.93	25,792.28		19,667.43
45,594.19	2/1/2041	8,944	24.84444	1,132,762.32	25,868.58		19,725.61
45,729.08	3/1/2041	8,974	24.92778	1,139,924.34	25,945.11		19,783.97
45,864.36	4/1/2041	9,004	25.01111	1,147,118.60	26,021.86		19,842.50
46,000.05	5/1/2041	9,034	25.09444	1,154,345.70	26,098.85		19,901.20
46,136.13	6/1/2041	9,064	25.17778	1,161,605.23	26,176.06		19,960.07
46,272.61	7/1/2041	9,094	25.26111	1,168,897.54	26,253.49		20,019.12
46,409.50	8/1/2041	9,124	25.34444	1,176,222.99	26,331.16		20,078.34
46,546.80	9/1/2041	9,154	25.42778	1,183,581.69	26,409.06		20,137.74
46,684.50	10/1/2041	9,184	25.51111	1,190,973.47	26,487.18		20,197.32
46,822.61	11/1/2041	9,214	25.59444	1,198,398.69	26,565.54		20,257.07
46,961.12	12/1/2041	9,244	25.67778	1,205,857.20	26,644.13		20,316.99
47,100.05	1/1/2042	9,274	25.76111	1,213,349.62	26,722.95		20,377.10
47,239.39	2/1/2042	9,304	25.84444	1,220,875.79	26,802.01		20,437.38
47,379.14	3/1/2042	9,334	25.92778	1,228,435.81	26,881.30		20,497.84
47,519.30	4/1/2042	9,364	26.01111	1,236,029.79	26,960.82		20,558.48
47,659.88	5/1/2042	9,394	26.09444	1,243,658.09	27,040.58		20,619.30
47,800.87	6/1/2042	9,424	26.17778	1,251,320.55	27,120.57		20,680.30
47,942.29	7/1/2042	9,454	26.26111	1,259,017.80	27,200.81		20,741.48
48,084.12	8/1/2042	9,484	26.34444	1,266,749.43	27,281.28		20,802.84
48,226.36	9/1/2042	9,514	26.42778	1,274,515.53	27,361.98		20,864.38
48,369.03	10/1/2042	9,544	26.51111	1,282,316.73	27,442.93		20,926.10
48,512.12	11/1/2042	9,574	26.59444	1,290,152.88	27,524.11		20,988.01
48,655.64	12/1/2042	9,604	26.67778	1,298,024.35	27,605.54		21,050.10
48,799.58	1/1/2043	9,634	26.76111	1,305,930.98	27,687.21		21,112.37
48,943.94	2/1/2043	9,664	26.84444	1,313,872.88	27,769.11		21,174.83
49,088.73	3/1/2043	9,694	26.92778	1,321,850.41	27,851.26		21,237.47
21,300.30	4/1/2043	9,724	27.01111	575,344.77			21,300.30
21,363.31	5/1/2043	9,754	27.09444	578,827.02			21,363.31
21,426.51	6/1/2043	9,784	27.17778	582,324.93			21,426.51
21,489.90	7/1/2043	9,814	27.26111	585,838.55			21,489.90
21,553.47	8/1/2043	9,844	27.34444	589,367.66			21,553.47
21,617.23	9/1/2043	9,874	27.42778	592,912.58			21,617.23
21,681.19	10/1/2043	9,904	27.51111	596,473.63			21,681.19
21,745.33	11/1/2043	9,934	27.59444				21,745.33
21,809.66	12/1/2043	9,964	27.67778				21,809.66
21,874.18	1/1/2044	9,994	27.76111				21,874.18
21,938.89	2/1/2044	10,024	27.84444				21,938.89
22,003.79	3/1/2044	10,054	27.92778				22,003.79
22,068.88	4/1/2044	10,084	28.01111				22,068.88
22,134.17	5/1/2044	10,114	28.09444				22,134.17
22,199.65	6/1/2044	10,144	28.17778				22,199.65
22,265.33	7/1/2044	10,174	28.26111				22,265.33
22,331.18	8/1/2044	10,204	28.34444				22,331.18
10,500,000.00				165,606,718.19	5,549,999.98	499,999.98	445,000.04

**SCHEDULE F**

**AGGREGATE FACE AMOUNT OF THE SERIES 2017 BONDS**

The Institution makes the following representations concerning the requirements contained in Section 145(b) of the Code:

(1) The following constitute all of the Principal Users of the Initial Tax-Exempt Project Facility:

<u>Name</u>	<u>Address</u>	<u>Federal Tax Identification Number</u>
Springbrook NY, Inc.	2705 State Highway 28 Oneonta, New York 13820	15-0539129

(2) The following constitute all Related Persons to the Principal Users listed in paragraph (1) above:

<u>Name</u>	<u>Address</u>	<u>Federal Tax Identification Number</u>
Upstate Home for Children Foundation, Inc.	2705 State Highway 28 Oneonta, New York 13820	22-2906500

(3) The following is a complete listing of all federally tax-exempt bonds which are aggregated with the Series 2017 Bonds pursuant to Section 1.150-1 of the Treasury Regulations and Revenue Ruling 81-216:

<u>Name of Issue</u>	<u>Date Issued</u>	<u>Outstanding Principal Amount</u>
None	None	None

(4) The Aggregate Face Amount of the Series 2017 Bonds is determined as follows:

(A)	\$10,500,000.00	(face amount of the Series 2017 Bonds);
(B)	<u>0.00</u>	(the sum of all aggregated issues listed in item (3) above);
(C)	\$10,500,000.00	<b>TOTAL</b>

## **SCHEDULE G**

### **THE \$150,000,000 AGGREGATE LIMIT**

Section 145(b) of the Code provides, for expenditures incurred before August 5, 1997, that the aggregate authorized face amount of the portion of all outstanding tax-exempt obligations constituting Qualified Non-Hospital Bonds allocated to the Institution, any person who is or shall become an owner or principal user (within the meaning of Section 144(a)(10) of the Code) of the Initial Tax-Exempt Project Facility or any person which is under common management or control with or is a related person (within the meaning of Section 144(a)(3) of the Code) to such persons, may not exceed \$150,000,000 within the three year period beginning on the later of the Closing Date relating to the Series 2017 Bonds or the date the last of the facilities financed with the proceeds of any Prior Issue or any prior debt (if any) being refinanced with the proceeds of the Series 2017 Bonds were placed in service.

As indicated in Section 4.1(D) of the attached Tax Regulatory Agreement, the Institution represents and warrants that at least ninety-five percent (95%) of the Net Proceeds of the Series 2017 Bonds will be expended to pay, or to reimburse the Institution for the payment of, Capital Expenditures incurred after August 5, 1997, and accordingly that the \$150 Million limit set forth in Section 145(b) of the Code does not apply to the Series 2017 Bonds.

## **SCHEDULE H**

### **ESTIMATED WITHDRAWALS FROM THE SERIES 2017 PROJECT ACCOUNT**

The Series 2017 Bonds are “drawdown bonds” and the Institution expects to complete the Series 2017 Project within three (3) years of the Closing Date.



**SCHEDULE I**

**UNRELATED TRADE OR BUSINESS USE  
OF THE INITIAL TAX-EXEMPT PROJECT FACILITY**

The only uses of the Initial Tax-Exempt Project Facility which generate unrelated business income are as follows:

**None.**

## SCHEDULE J

### GUIDELINES FOR MANAGEMENT AND OPERATING ARRANGEMENTS

For purposes of the covenants made in Section 2.1(J) of the Tax Regulatory Agreement, any contract entered into by the Institution relating to the use or operation (by a person or entity other than the Institution, or a Related Person to the Institution that is a Section 501(c)(3) organization) of any portion of the facilities to be financed or refinanced with the proceeds of the Series 2017 Bonds (the "Tax-Exempt Project Facility") will constitute a nonqualified use of the Initial Tax-Exempt Project Facility, unless such contract meets the criteria set forth by the Treasury Department in Section 1.141-3 of the Treasury Regulations and in Revenue Procedures 97-13 and 97-14, as summarized below.

SECTION 1. MANAGEMENT AND SERVICE CONTRACTS. (A) The criteria for a permissible management or service contract, as set forth in Rev. Proc. 97-13, currently are as follows:

(1) In general, the contract must provide for reasonable compensation for services rendered, with no compensation based, in whole or in part, on a share of net profits from the operation of the Initial Tax-Exempt Project Facility. Reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties is not by itself treated as compensation. Compensation will not generally be considered to be based on a share of net profits if based upon (a) a percentage of gross revenues (or adjusted gross revenues) or a percentage of expenses (but not both) from the Initial Tax-Exempt Project Facility, (b) a capitation fee, or (c) a per-unit fee.

(2) The contract must meet one of the following descriptions:

(a) 95% periodic fixed fee. At least 95% of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and the term of the contract, including all renewal options, does not exceed the lesser of 15 years or 80% of the reasonably expected useful life of the Initial Tax-Exempt Project Facility.

(b) 80% periodic fixed fee. At least 80% of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and the term of the contract, including all renewal options, does not exceed the lesser of 10 years or 80% of the reasonably expected useful life of the Initial Tax-Exempt Project Facility.

(c) 50% periodic fixed fee/100% capitation fee. Either 50% of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee, or all of the compensation for services is based on a capitation fee or a combination of a capitation fee and a periodic fixed fee; the term of the contract, including all renewal options, does not exceed 5 years; and the contract is terminable by the Institution on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

(d) Per-Unit fee. All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fixed fee; the term of the contract, including all renewal options, does not exceed 3 years; and the contract is terminable by

the Institution on reasonable notice, without penalty or cause, at the end of the second year of the contract term.

(e) Percentage of revenue or expense fee. If the contract either involves a service provided primarily to third parties, or is entered into during the initial start-up period of the Initial Tax-Exempt Project Facility, then the contract may have all of the compensation for services be based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee, so long as, the term of the contract, including renewal options, does not exceed two years, and the contract is terminable by the Institution on reasonable notice, without penalty or cause, at the end of the first year of the contract term.

(3) Furthermore, the service provider must not have any role or relationship with the Institution that, in effect, substantially limits the Institution's ability to exercise its rights, including cancellation rights, under the contract. This requirement is satisfied if (a) not more than 20% of the voting power of the governing body of the Institution in the aggregate is vested in the service provider and its directors, officers, shareholders and employees; (b) overlapping board members do not include the chief executive officers of the service provider or its governing body or the Institution or its governing body; and (c) the service provider and the Institution are not Related Persons, as defined in Section 1.150-1(b) of the Treasury Regulations.

(B) The criteria for a permissible management or service contract, as set forth in Section 1.141-3 of the Treasury Regulations, are as follows:

(1) For contracts for services in which compensation is based on a percentage of fees charged for service rendered by the non-exempt person:

(a) the term of the contract, including renewal options, may not exceed two years;

(b) the contract must be terminable by the Institution on reasonable notice, without cause or penalty, at the end of the first year of the contract term;

(c) this Section 1(B)(1) applies only to contracts under which the service provider primarily provides services to third parties, or service contracts involving the Initial Tax-Exempt Project Facility during an initial start-up period.

(2) For contracts for services in which compensation is based on a periodic flat fee:

(a) the term of the contract, including all renewal options, may not exceed five years (or 10 or 15 years under certain circumstances); and

(b) the contract must be terminable by the Institution on reasonable notice, without cause or penalty, at the end of the third year of the contract term (or this provision may be omitted under certain circumstances).

(3) Furthermore, the service provider must not have any role or relationship with the Institution that, in effect, substantially limits the Institution's ability to exercise its rights, including cancellation rights, under the contract. This requirement is satisfied if (a) not more than 20% of the voting power of the governing body of the Institution in the aggregate is vested in the service provider and its directors, officers, shareholders and employees, (b) not more than 20% of

the voting power of the governing body of the service provider in the aggregate is vested in the Institution and its directors, officers, shareholders and employees, and (c) the service provider and the Institution are not Related Persons.

SECTION 2. PUBLIC USE NOT PRIVATE BUSINESS USE. (A) General. Section 1.141-3(e) of the Treasury Regulations provides that private business use of the Initial Tax-Exempt Project Facility does not include use of the Initial Tax-Exempt Project Facility as a member of the general public (“General Public Use”).

(B) Public Use Criteria. The criteria for General Public Use of the Initial Tax-Exempt Project Facility, as set forth in Section 1.141-3(e) of the Treasury Regulations, are as follows:

(1) the Initial Tax-Exempt Project Facility must be intended for use by the general public (i.e., at least 25% of the use of the Initial Tax-Exempt Project Facility must be reasonably expected to be by persons that individually account for no more than 1% of the use of the Initial Tax-Exempt Project Facility); and

(2) the use of the Initial Tax-Exempt Project Facility by non-governmental, non-501(c)(3) Persons must be reasonably expected to be on the same basis as use by other members of the general public (i.e., no priority rights or other preferential benefits, within the meaning of Section 1.141-3(e)(3)(B)(ii) of the Treasury Regulations, are granted).

## SCHEDULE K

### GUIDELINES REGARDING USE OF THE INITIAL TAX-EXEMPT PROJECT FACILITY

For purposes of the covenants made in Section 2.1(F) of the Tax Regulatory Agreement, any contract entered into by the Institution or any other person relating to the use or operation (by a person or entity other than the Institution, or a Related Person to the Institution that is a Section 501(c)(3) organization) of any portion of the facilities financed or refinanced by the proceeds of the Series 2017 Bonds (the "Initial Tax-Exempt Project Facility") will constitute a nonqualified use of the Initial Tax-Exempt Project Facility, unless such contract meets the criteria set forth by Treasury Regulation 1.141-3(c), as summarized below:

**SECTION 1. GENERAL PUBLIC USE. (A) General Public Use.** In general, use of the Initial Tax-Exempt Project Facility as a member of the general public (general public use) is not treated as private business use. Use of the Initial Tax-Exempt Project Facility by nongovernmental persons in their trades or businesses if treated as general public use only if the Initial Tax-Exempt Project Facility is intended and in fact is available for use on the same basis by natural persons not engaged in a trade or business.

**(B) Use on the Same Basis.** In general, use under an arrangement that conveys priority rights or other preferential benefits is not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if -

(1) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or

(2) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates.

**(C) Permitted Arrangements.** The following arrangements do not constitute prohibited use:

(1) 50 Day Rule. Use pursuant to an arrangement is not private business use if (a) the term of the use under the arrangement, including all renewal options, is not longer than 50 days, (b) the arrangement is a negotiated arm's-length arrangement, and compensation is at fair market value, and (c) the property is not financed for the principal purpose of providing that property for use by that nongovernmental person.

(2) 100 Day Rule. Use pursuant to an arrangement is not private business use if (a) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, (b) the arrangement would be treated as general public use, except that it is not available for use on the same basis by natural persons not engaged in a trade or business because generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, and (c) the property is not financed for the principal purpose of providing that property for use by that nongovernmental person.

(3) 200 Day Rule. Use pursuant to an arrangement is not private business use if the term of the use under the arrangement, including all renewal options, is not longer than 200 days.

For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (a) the compensation for use under the arrangement is redetermined at generally applicable, fair market rates that are in effect at the time of renewal, and (b) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

(D) **Incidental Uses.** Incidental uses of the financed facility may be disregarded, to the extent that such incidental uses do not exceed 2.5% of the proceeds of the Series 2017 Bonds. A use of the Initial Tax-Exempt Project Facility is incidental if -

(1) except for vending machines, pay telephones, kiosks, and similar uses, the use does not involve the transfer to the nongovernmental person of possession and control of space that is separated from other areas of the facility by walls, partitions, or other physical barriers, such as a night gate affixed to a structural component of a building (a nonpossessory use);

(2) the nonpossessory use is not functionally related to any other use of the facility by the same person (other than a different nonpossessory use); and

(3) all nonpossessory uses of the facility do not, in the aggregate, involve the use of more than 2.5% of the facility.

## SCHEDULE L

### GUIDELINES FOR RESEARCH AGREEMENTS

For purposes of the covenants made in Section 2.1(L) of the Tax Regulatory Agreement, any contract entered into by the Institution relating to research sponsored by a Person (other than the Institution or a Related Person described in Section 501(c)(3) of the Code) and performed in any portion of any portion of the facilities financed or refinanced by the proceeds of the Series 2017 Bonds (the "Initial Tax-Exempt Project Facility") will constitute a nonqualified use of the Initial Tax-Exempt Project Facility, unless such contract meets the criteria set forth by Treasury Department Revenue Procedure 97-14, as summarized below.

SECTION 1. DEFINITIONS. For purposes of Rev. Proc. 97-14, the following terms shall have the meanings set forth below:

(A) "Basic Research" shall mean any original investigation for the advancement of scientific knowledge not having a specific commercial objective. For example, product testing supporting the trade or business of a specific nongovernmental person is not treated as basic research.

(B) "Qualified User" means (1) any state or local governmental unit, as defined in Treasury Regulation 1.103-1, or any instrumentality thereof, and (2) a Section 501(c)(3) organization, if the financed property is not used in an unrelated trade or business under Section 513(a) of the Code. The term does not include the United States or any agency or instrumentality thereof.

(C) "Sponsor" means any Person, other than a Qualified User, that supports or sponsors research under a contract.

SECTION 2. PERMISSIBLE RESEARCH AGREEMENTS. The criteria for a permissible research agreement (i.e., a research agreement that does **not** result in private business use), as set forth in Rev. Proc. 97-14, currently are as follows:

(A) **Corporate-Sponsored Research.** A research agreement relating to property used for Basic Research supported or sponsored by a Sponsor does **not** result in private business use if a license or other use of resulting technology by the Sponsor is permitted only on the same terms as the recipient would permit that use by an unrelated, non-sponsoring party (that is, the Sponsor must pay a competitive price for its use), with the price paid for that use determined at the time the license or other resulting technology is available for use. Although the Institution need not permit persons other than the Sponsor to use any license or other resulting technology, the price paid by the Sponsor must be no less than the price that would be paid by any non-sponsoring party for those same rights.

(B) **Cooperative Research Agreements.** A research agreement relating to property used pursuant to a joint industry-governmental cooperative research arrangement does **not** result in private business use if the following criteria are met: (1) multiple, unrelated Sponsors agree to fund governmentally performed Basic Research; (2) the research to be performed and the manner in which it is to be performed (for example, selection of the personnel to perform the research) is determined by the Qualified User; (3) title to any patent or other product incidentally resulting from the research lies exclusively with the Qualified User; and (4) Sponsors are entitled to no more than a nonexclusive, royalty-free license to use the product of any of that research.

**SCHEDULE M**

**LIST OF EXISTING LEASES AND MANAGEMENT AND RESEARCH  
AGREEMENTS RELATING TO THE INITIAL TAX-EXEMPT PROJECT FACILITY**

The only leases and management agreements and operating agreements and research agreements affecting the Initial Tax-Exempt Project Facility are listed below:

**None.**



## SCHEDULE N

### GUIDELINES FOR DETERMINING THE FAIR MARKET VALUE OF INVESTMENTS

The following is a brief summary of the provisions of Section 1.148-5 and Section 1.148-6 of the Treasury Regulations that affect the determination of the Fair Market Value of Investments of the Gross Proceeds of the Series 2017 Bonds.

Section 1.148-5(d)(6) of the Treasury Regulations provides that, in general, Fair Market Value is the price at which a willing buyer would purchase an Investment from a willing seller in a bona fide, arm's-length transaction. Fair Market Value is generally determined on the date on which a contract to purchase or sell a Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). This means, with regard to the purchase price and disposition price of a Nonpurpose Investment, that a premium cannot be paid to adjust the yield on such Nonpurpose Investment, that a lower interest rate than is usually paid cannot be accepted to adjust the yield on such Nonpurpose Investment and that no transaction is permitted to result in a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Series 2017 Bonds not been relevant to either party. Except as provided below, a Nonpurpose Investment that is not of a type traded on an established securities market is rebuttably presumed to be acquired or disposed of for a price not equal to its Fair Market Value. The Fair Market Value of a United States Treasury Obligation that is purchased directly from the United States Treasury is its purchase price.

A. Certificate of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal and which is not traded on an established securities market will be treated as its Fair Market Value if (1) the Yield on the certificate of deposit is not less than the Yield on reasonably comparable direct obligations of the United States and (2) the Yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public.

B. Guaranteed Investment Contracts and Investments purchased for a Yield-Restricted Defeasance Escrow. The purchase price of a Guaranteed Investment Contract and the purchase price of an Investment purchased for a yield restricted defeasance escrow will be treated as the Fair Market Value of the Investment on the purchase date if all of the following requirements are satisfied:

(1) The Institution on behalf of the Issuer makes a bona fide solicitation for the purchase of the Investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(a) The bid specifications are in writing and are timely forwarded to potential providers.

(b) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Investment.

(c) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Institution

or the Issuer or any other person (whether or not in connection with the Series 2017 Bonds), and that the bid is not being submitted solely as a courtesy to the Institution or the Issuer or any other person for purposes of satisfying the requirements of Treasury Regulation Section 1.148-5(d)(6)(iii)(B)(1) or (2).

(d) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Investment. For example, for solicitations of Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Institution on behalf of the Issuer reasonably requires.

(e) For purchases of Guaranteed Investment Contracts only, the terms of the solicitation take into account the Institution's reasonably expected deposit and drawdown Schedule for the amounts to be invested.

(f) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(g) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) The bids received by the Institution on behalf of the Issuer meet all of the following requirements:

(a) The Institution on behalf of the Issuer receives at least three bids from providers that the Institution on behalf of the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph B(1), above, and that do not have a material financial interest in the Series 2017 Bonds. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the Series 2017 Bonds until 15 days after the issue date of the Series 2017 Bonds. In addition, any entity acting as a financial advisor with respect to the purchase of the Investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Series 2017 Bonds. A provider that is a related party to a provider that has a material financial interest in the Series 2017 Bonds is deemed to have a material financial interest in the Series 2017 Bonds.

(b) At least one of the three bids described in paragraph B(2)(a) above, is from a reasonably competitive provider, within the meaning of paragraph B(1)(g) above.

(c) If the Institution on behalf of the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the Investment.

(3) The winning bid meets the following requirements:

(a) Guaranteed Investment Contracts. If the Investment is a Guaranteed Investment Contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(b) Other Investments. If the Investment is not a Guaranteed Investment Contract, the following requirements are met:

(i) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Institution on behalf of the Issuer compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each Investment. Any payment received by the Institution on behalf of the Issuer from a provider at the time a Guaranteed Investment Contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of this paragraph B is taken into account in determining the lowest bid.

(ii) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of SLGs. The cost of the most efficient portfolio of SLGs is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

(iii) If SLGs from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of paragraph B(3)(b)(ii), above, is not required.

(4) The provider of the Investments or the obligor on the Guaranteed Investment Contract certifies, in the form attached as **Schedule P** to this Tax Regulatory Agreement, the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Investment.

(5) The Institution on behalf of the Issuer causes the following records to be retained with the Financing Documents until three years after the last outstanding Initial Bond is redeemed:

(a) For purchases of Guaranteed Investment Contracts, a copy of the contract, and for purchases of Investments other than Guaranteed Investment Contracts, the purchase agreement or confirmation.

(b) The receipt or other record of the amount actually paid by the Institution on behalf of the Issuer for the Investments, including a record of any administrative costs paid by the issuer, and the certification described under paragraph B(4) above.

(c) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(d) The bid solicitation form and, if the terms of the purchase agreement or the Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Institution on behalf of the Issuer purchases a portfolio of Investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Section 148 of the Code, an Investment in the

winning bid is replaced with an Investment with a lower yield, the Institution on behalf of the Issuer must retain a record of the substitution and how the price of the substitute Investment was determined. If the Institution on behalf of the Issuer replaces an Investment in the winning bid portfolio with another Investment, the purchase price of the new Investment is not covered by the safe harbor unless the Investment is bid under a bidding procedure meeting the requirements of this paragraph B.

(e) For purchases of Investments other than Guaranteed Investment Contracts, the cost of the most efficient portfolio of SLGs, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

C. Administrative Costs. Pursuant to Section 1.148-5(e) of the Treasury Regulations, as a general rule, an allocation of Gross Proceeds of the Series 2017 Bonds to a payment or receipt is not adjusted to take into account any costs or expenses paid, directly or indirectly, to carry, sell or retire the Investment (“Administrative Costs”). Thus, these Administrative Costs generally do not increase the payment for, or reduce the receipts from, the Investment. However, in determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account, and thus increase the payment for, or reduce the receipts from, the Investment. An amount paid for a broker’s commission or similar fee with respect to a Guaranteed Investment Contract or Investments purchased for a yield restricted defeasance escrow is a Qualified Administrative Cost if the fee is reasonable within the meaning of Section 1.148-5(e)(2)(i) of the Treasury Regulations, summarized in the definition of the term “Qualified Administrative Costs” in the attached Tax Regulatory Agreement. To establish the Administrative Costs associated with a Guaranteed Investment Contract or Investments purchased for a yield restricted defeasance escrow, the bidding agent shall submit a certification in the form attached hereto as **Schedule Q** to this Tax Regulatory Agreement.

**SCHEDULE O**

**CODE ELECTIONS**

Pursuant to the Code and the Treasury Regulations, the Issuer can make various elections under the Code and/or the Treasury Regulations with respect to the Series 2017 Bonds (each, a “Code Election”). Many of these Code Elections must be made on or before the Closing date relating to the Series 2017 Bonds. Pursuant to Section 8.9(B) of the Loan Agreement, the Issuer has authorized the Institution to act as agent of the Issuer with respect to the Code Elections relating to the Series 2017 Bonds, and has authorized the Institution to make the Code Elections relating to the Series 2017 Bonds on behalf of the Issuer.

Pursuant to Section 1.148-1(d) of the Treasury Regulations, if the Institution desires to make any of the following Code Elections, such Code Elections must be in writing, and, once such a Code Election is made, such Code Election may not be revoked without the permission of the IRS.

The Institution on behalf of the Issuer hereby elects (each Election to be noted by an “X” next to the applicable provision) pursuant to the provisions of Section 1.148-1(d) of the Treasury Regulations to make the following Code Elections with respect to the Series 2017 Bonds:

1. _____	Election under Section 1.148-1(b) of the Treasury Regulations (as described in the definition of the term “Bond Year” in the attached Tax Regulatory Agreement) to treat _____ as the end of each Bond Year. If the Institution desired at the time of delivery of this Tax Regulatory Agreement to select a date for the end of each Bond Year, such desire is indicated in this Item 1. If no date is selected by the Institution on behalf of the Issuer before the earlier of (A) the final Maturity Date of the Series 2017 Bonds or (B) the date that is five years after the Closing Date, then the Bond Years shall end on each anniversary of the Closing Date and on the final Maturity Date of the Series 2017 Bonds.
2. _____	If the Series 2017 Bonds are a Variable Yield Issue, election under Section 1.148-3(e)(1) of the Treasury Regulations (as described in the definition of the term “Yield Period” in the attached Tax Regulatory Agreement) to treat the last day of each Bond Year that is not a Computation Date as a Computation Date. The first required Computation Date relating to the Series 2017 Bonds must not be later than five years after the Closing Date relating to the Series 2017 Bonds. If the Series 2017 Bonds are a Fixed Yield Issue, the first required Rebate Installment payment date may relate to any date chosen by the Institution on behalf of the Issuer as a Computation Date, so long as such Computation Date is not later than five years after the Closing Date relating to the Series 2017 Bonds. If the Series 2017 Bonds are a Variable Yield Issue, the first required Rebate Installment payment date must relate to a Computation Date that is the last day of the Bond Year ending on or before the fifth anniversary date of the Closing Date. <b>However, if this Code Election is selected, the last day of each Bond Year that would not otherwise be a Computation Date will be treated as a Computation Date.</b> Note that after the first required Rebate Installment payment date, the Institution on behalf of the Issuer may not change previous Computation Dates and must

	consistently treat either the end of each Bond Year or the end of each subsequent fifth Bond Year as a subsequent required Rebate Installment payment date.
3. _____	If the Series 2017 Bonds are a Variable Yield Issue and may in the future be converted to a Fixed Yield Issue, election under Section 1.148-4(d) of the Treasury Regulations not to treat the Series 2017 Bonds as a Fixed Yield Issue until the next Computation Date occurring after the conversion. Unless this Code Election is made, if the Series 2017 Bonds are issued as a Variable Yield Issue and are thereafter converted to a Fixed Yield Issue, the Series 2017 Bonds will automatically be treated as a Fixed Yield Issue as of the first day on which the Series 2017 Bonds would qualify as a Fixed Yield Issue if newly issued on such date.
4. _____	Election under Section 1.148-7(f)(2) of the Treasury Regulations (as described in Section 6.3(F)(4)(d) of the attached Tax Regulatory Agreement) to satisfy requirements for a Construction Issue based upon the actual facts with respect to the issue, rather than reasonable expectations. Unless this Code Election is made, the reasonable expectations of the Institution on behalf of the Issuer on the Closing Date that at least 75% of the Available Construction Proceeds of the Series 2017 Bonds will be allocated to Construction Expenditures (rather than actual facts) will determine whether the Series 2017 Bonds will be a construction issue for purposes of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code. Note that, if an "X" is placed next to Item 7 on this <b>Schedule O</b> , this Code Election will not apply for purposes of determining whether the Series 2017 Bonds will be a Construction Issue for purposes of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code.
5. _____	Election under Section 1.148-7(i)(2) of the Treasury Regulations (as described in the definition of the term "Available Construction Proceeds" in the attached Tax Regulatory Agreement) to exclude investment earnings on any reasonably required reserve or replacement fund from Available Construction Proceeds for the purpose of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code. If this Election is chosen by the Institution, the rebate requirement will apply to the excluded amounts from the Closing Date relating to the Series 2017 Bonds.

6. \_\_\_\_\_ Election under Section 1.148-7(j)(1) of the Treasury Regulations (as described in Section 6.3(F)(4)(c) of the attached Tax Regulatory Agreement) to treat a portion of the Series 2017 Bonds used for construction as a separate issue and thereby apply the 2-year expenditure exception to such construction portion only. If this Election is chosen, the Institution elects to have the Series 2017 Bonds bifurcated into a Construction Issue and a Non-Construction Issue as follows:

Issue	Allocation of Proceeds of the Series 2017 Bonds
Construction Issue	
Non-Construction Issue	

7. \_\_\_\_\_ Election under Section 1.148-7(k) of the Treasury Regulations (as described in Section 6.3(F)(4)(b) of the attached Tax Regulatory Agreement) to pay the one and one half percent (1 and ½%) penalty and/or the three percent (3%) penalty at the close of each semi-annual spending period in respect of which the spending requirement has not been satisfied, in the event the Institution fails to satisfy the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code.

8. \_\_\_\_\_ Election under Section 1.148-7(f)(2) and Section 1.148-7(i)(3) of the Treasury Regulations (as described in the definition of the term “Available Construction Proceeds” in the attached Tax Regulatory Agreement) that, for purposes of determining satisfaction of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code as of the end of each of the first three spending periods, Available Construction Proceeds include investment earnings actually earned with respect to the Series 2017 Bonds, rather than future earnings as reasonably expected on the Closing Date relating to the Series 2017 Bonds. Unless this Code Election is made, the reasonable expectations of the Institution on behalf of the Issuer on the Closing Date, Available Construction Proceeds include investment earnings as reasonably expected by the Institution on the Closing Date relating to the Series 2017 Bonds for purposes of determining satisfaction of the 2-year expenditure requirement under Section 148(f)(4)(C) of the Code as of the end of each of the first three spending periods.

9. \_\_\_\_\_ Election has been made by the Institution on behalf of the Issuer under Section 1.150-1(c)(3) of the Treasury Regulations to treat separate portions of the Series 2017 Bonds issued to finance separate purposes (e.g., refunding a separate prior issue, financing a separate Purpose Investment, financing integrated or functionally related capital projects, and financing any clearly discrete governmental purpose) as separate issues of bonds. The aggregate Proceeds, Investments and bonds must be allocated between each of the separate issues using a reasonable, consistently applied allocation method. If any separate issue consists of refunding bonds, the allocation rules in Section 1.148-9(h) of the Treasury Regulations must be satisfied. If this Election is chosen, the Institution elects to have the Series 2017 Bonds bifurcated into separate issues as follows:

<b>Issue</b>	<b>Allocation of Proceeds of the Series 2017 Bonds</b>



**SCHEDULE P**  
**FORM OF**  
**CERTIFICATE OF INVESTMENT PROVIDER**

[Date]

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, NY 12207

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Revenue Bonds (The  
Springbrook NY, Inc. Project), Series 2017 in the  
aggregate principal amount of \$10,500,000

Ladies and Gentlemen:

In connection with the purchase of investments with the proceeds of the above-referenced bonds (the "Series 2017 Bonds"), as the provider of such investments (the "Provider") to the Issuer, I hereby certify that:

1. We are a party with no material financial interest in the Series 2017 Bonds, or, if we have such an interest, have been advised by the Issuer that it received at least three qualifying bids from parties with no such material financial interest.
2. We responded to the investment solicitation and quoted a yield, if the investment is a Guaranteed Investment Contract, that included consideration of the Issuer's reasonably expected deposit and drawdown Schedule for the amounts to be invested.
3. Based on our experience in the field and on all the facts and circumstances, the terms of the bid specifications are commercially reasonable.
4. The administrative costs reasonably expected to be paid to third parties in connection with the investment contract are as follows: [describe].
5. We did not review any other bids or potential bids before submitting our bid to provide the investments.
6. We understand from the terms of the bid solicitation materials that submission of our bid is a representation by us that we did not consult with any other potential provider about our bid, that the bid was determined without regard to any other formal or informal agreement that we had or have with any other person, and that the bid was not submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the three bid requirement of the Treasury Regulations.

We understand that the information contained and referred to herein may be relied upon by Hodgson Russ LLP, as bond counsel, in rendering its opinion that interest on the Series 2017 Bonds is not included in gross income for federal income tax purposes.

[INVESTMENT PROVIDER]

[NAME]

[TITLE]

**SCHEDULE Q**  
**FORM OF**  
**CERTIFICATE OF BID AGENT**

[Date]

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, NY 12207

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Revenue Bonds (The  
Springbrook NY, Inc. Project), Series 2017 in the  
aggregate principal amount of \$10,500,000

Ladies and Gentlemen:

In connection with the purchase of investments with the proceeds of the above-referenced bonds (the "Series 2017 Bonds"), we acted as bidding agent for the Issuer. On behalf of the Issuer we certify that:

1. We have made a bona fide solicitation for investments to at least three different reasonably competitive providers (providers with established industry reputations as competitive providers of the type of investments being purchased) that have no material financial interest in the transaction (i.e., providers other than lead underwriters for the Series 2017 Bonds during the period ending 15 days after the issue date of the Series 2017 Bonds, financial advisors for the Series 2017 Bonds, or related persons).

2. We have received at least three bona fide bids in response to this bona fide solicitation from parties with no material financial interest in the transaction, at least one of which was from a reasonably competitive provider as described above, and, if the investment is a Guaranteed Investment Contract, have accepted the bid for and purchased the highest-yielding investment contract (net of any broker's fees) for which a qualifying bid was made, and if the investment is not a Guaranteed Investment Contract, have accepted the bid for, and purchased the investments with, the lowest cost (including any broker's fees) calculated for the entire portfolio or on an investment-by-investment basis, which cost was not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities ("SLGS") obtained from the U.S. Department of the Treasury, Bureau of Public Debt that was available at the time that the bids were required to be submitted.

3. The terms of the bid solicitation were in writing and included all material terms, including, in the case of a Guaranteed Investment Contract, the reasonably expected investment and drawdown Schedule of the funds to be invested. Each bidder was provided with the bid specifications on a timely basis. The terms of the bid solicitation also included a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other

potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with any other person, and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the three bid requirement of the Treasury Regulations. The terms of the bid specification are commercially reasonable (i.e., there is a legitimate governmental purpose for each of the terms of the specification other than to reduce the yield on the investments).

4. All providers were afforded an equal opportunity to bid (e.g., no provider was given a “last look”).

5. The administrative costs paid to us in connection with the investment are as follows: [describe]. The total administrative costs paid in connection with the investments do not exceed the lesser of (a) \$30,000; or (b) 0.2% of (i)(A) for a Guaranteed Investment Contract, the amount of gross proceeds the Issuer reasonably expects, as of the date the contract is acquired, to be deposited in the Guaranteed Investment Contract over the term of the contract and (B) for investments (other than Guaranteed Investment Contracts) to be deposited in a yield restricted defeasance escrow, the amount of gross proceeds initially invested in those investments, or (ii) if more, \$3,000.

6. We did not submit a bid to provide the above-referenced investments.

7. We have provided the Issuer with the following information: (i) a copy of the investment contract, purchase agreement or confirmation; (ii) for each bid received, the name of the person and entity submitting the bid, the time and the date of the bid, and the bid results, (iii) in the case of a defeasance escrow, the cost of the most efficient portfolio of SLGS; and (iv) the bid solicitation form.

We understand that the information contained and referred to herein may be relied upon by Hodgson Russ LLP, as bond counsel, in rendering its opinion that interest on the Series 2017 Bonds is not included in gross income for federal income tax purposes.

[BID BROKER]

[NAME]

[TITLE]

**EXHIBIT I**  
**IRS FORM 8038**  
**RELATING TO THE SERIES 2017 BONDS**

**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

<b>Part I Reporting Authority</b>		Check if Amended Return <input type="checkbox"/>
<b>1 Issuer's name</b> OTSEGO COUNTY CAPITAL RESOURCE CORPORATION		<b>2 Issuer's employer identification number</b> 26-3661593
<b>3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)</b>		<b>3b Telephone number of other person shown on 3a</b>
<b>4 Number and street (or P.O. box if mail is not delivered to street address)</b> 189 MAIN STREET, 5TH FLOOR	<b>Room/suite</b>	<b>5 Report number (For IRS Use Only)</b> 1 <input type="checkbox"/> <input type="checkbox"/>
<b>6 City, town, or post office, state, and ZIP code</b> ONEONTA, NEW YORK 13820		<b>7 Date of issue (MM/DD/YYYY)</b> 03/27/2017
<b>8 Name of issue Tax-Exempt Multi-Mode Variable Rate Revenue Bonds</b> (The Springbrook NY, Inc. Project), Series 2017A-C		<b>9 CUSIP number</b> None
<b>10a Name and title of officer or other employee of the issuer whom the IRS may call for more information</b> ELIZABETH HORVATH, COO/CFO		<b>10b Telephone number of officer or other employee shown on 10a</b> 607-267-4010

<b>Part II Type of Issue (Enter the issue price.)</b>		<b>Issue Price</b>
<b>11 Exempt facility bond:</b>		
<b>a Airport (sections 142(a)(1) and 142(c))</b>		<b>11a</b>
<b>b Docks and wharves (sections 142(a)(2) and 142(c))</b>		<b>11b</b>
<b>c Water furnishing facilities (sections 142(a)(4) and 142(e))</b>		<b>11c</b>
<b>d Sewage facilities (section 142(a)(5))</b>		<b>11d</b>
<b>e Solid waste disposal facilities (section 142(a)(6))</b>		<b>11e</b>
<b>f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)</b>		<b>11f</b>
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>		
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>		
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>		
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))</b>		<b>11g</b>
<b>h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)</b>		<b>11h</b>
Facility type _____		
1986 Act section _____		
<b>i Qualified enterprise zone facility bonds (section 1394) (see instructions)</b>		<b>11i</b>
<b>j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)</b>		<b>11j</b>
<b>k District of Columbia Enterprise Zone facility bonds (section 1400A)</b>		<b>11k</b>
<b>l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))</b>		<b>11l</b>
<b>m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))</b>		<b>11m</b>
<b>n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))</b>		<b>11n</b>
<b>o Other (see instructions)</b>		
<b>p Qualified New York Liberty Zone bonds (section 1400L(d))</b>		<b>11p</b>
<b>q Other (see instructions)</b>		<b>11q</b>
<b>12a Qualified mortgage bond (section 143(a))</b>		<b>12a</b>
<b>b Other (see instructions)</b>		<b>12b</b>
<b>13 Qualified veterans' mortgage bond (section 143(b)) (see instructions)</b> ▶		<b>13</b>
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>		
<b>14 Qualified small issue bond (section 144(a)) (see instructions)</b> ▶		<b>14</b>
Check the box for \$10 million small issue exemption <input type="checkbox"/>		
<b>15 Qualified student loan bond (section 144(b))</b>		<b>15</b>
<b>16 Qualified redevelopment bond (section 144(c))</b>		<b>16</b>
<b>17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)</b>		<b>17</b>
<b>18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)</b>		<b>18</b>
Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input checked="" type="checkbox"/>		10,500,000
<b>19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))</b>		<b>19</b>
<b>20a Other (see instructions)</b>		
<b>b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)</b>		<b>20b</b>
<b>c Other. Describe (see instructions) ▶</b>		<b>20c</b>

**Part III Description of Bonds** (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2044	\$ 10,500,000	\$ 10,500,000	15.7721 years	VR%

**Part IV Uses of Proceeds of Issue** (including underwriters' discount)

		22	Amount
22	Proceeds used for accrued interest	22	0
23	Issue price of entire issue (enter amount from line 21, column (b))	23	10,500,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	210,000
25	Proceeds used for credit enhancement	25	0
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0
27	Proceeds used to currently refund prior issue (complete Part VI)	27	0
28	Proceeds used to advance refund prior issue (complete Part VI)	28	0
29	Add lines 24 through 28	29	210,000.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	10,290,000.00

**Part V Description of Property Financed by Nonrefunding Proceeds**  
**Caution:** The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31	Type of Property Financed by Nonrefunding Proceeds:	Amount	
a	Land	31a	
b	Buildings and structures	31b	9,000,000
c	Equipment with recovery period of more than 5 years	31c	
d	Equipment with recovery period of 5 years or less	31d	500,000
e	Other. Describe (see instructions) Capitalized Interest; Contingency; Title Insurance	31e	790,000

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

a	NAICS Code	Amount of nonrefunding proceeds	c	NAICS Code	Amount of nonrefunding proceeds
a	624100	\$ 10,290,000	c		\$
b		\$	d		\$

**Part VI Description of Refunded Bonds** (Complete this part only for refunding bonds.)

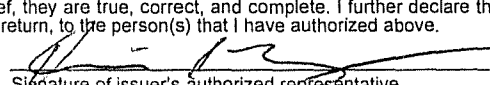
33	Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A years
34	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
35	Enter the last date on which the refunded bonds will be called	
36	Enter the date(s) the refunded bonds were issued	

**Part VII Miscellaneous**

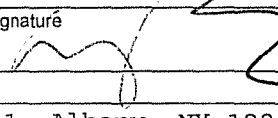
- 37 Name of governmental unit(s) approving issue (see the instructions) **Public Hearing: May 10, 2016 and Public Approval: Otsego County Board of Representatives - June 1, 2016**
- 38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III).
- 39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate
- 40a Check the box if you have identified a hedge and enter the following information
- b Name of hedge provider \_\_\_\_\_
- c Type of hedge
- d Term of hedge
- 41 Check the box if the hedge is superintegrated
- 42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC)
- b Enter the final maturity date of the GIC \_\_\_\_\_
- c Enter the name of the GIC provider
- 43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions)
- 44 Check the box if the issuer has established written procedures to monitor the requirements of section 148
- 45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures
- b Enter the date the official intent was adopted \_\_\_\_\_
- 46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user
- Name
- EIN

<b>Part VIII Volume Caps</b>		Amount
47	Amount of state volume cap allocated to the issuer. <b>Attach copy of state certification</b>	47
48	Amount of issue subject to the unified state volume cap	48
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49 10,500,000
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a
b	Under a carryforward election. Attach a copy of Form 8328 to this return	49b
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds	50a
b	Enter the state limit on qualified veterans' mortgage bonds	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. <b>Attach copy of local government certification</b>	51a
b	Name of empowerment zone ▶	
52	Amount of section 142(k)(5) volume cap allocated to issuer. <b>Attach copy of state certification</b>	52

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.


3/27/2017
(Vice) Chairman

Signature of issuer's authorized representative Date Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	A. Joseph Scott, III		3/27/17		PO1446984
	Firm's name ▶ Hodgson Russ LLP	Firm's EIN ▶ 16-0708550			
Firm's address ▶ 677 Broadway, Suite 301, Albany, NY 12207			Phone no. 518.465.2333		



**SCHEDULE TO FORM 8038  
INFORMATION RETURN FOR TAX-EXEMPT PRIVATE  
ACTIVITY BONDS**

**Line 18 Information:**

1. Name of 501(c)(3) Organization:  
Springbrook NY, Inc.
2. Employer Identification Number of 501(c)(3) Organization:  
15-0539129
3. The amount of this issue of bonds benefiting the organization:  
\$10,500,000

**EXHIBIT II**

**501(c)(3) DETERMINATION LETTER  
REGARDING THE INSTITUTION**

Internal Revenue Service

Department of the Treasury RECEIVED AUG 19 1991  
35 Tillary St., Brooklyn, NY 11201

District  
Director

Date: AUG 14 1991

Upstate Home For Children, Inc.  
R D 1, Box 155  
Oneonta, NY 13820-9801

Person to Contact:  
Clifton G. Belnavis  
Contact Telephone Number:  
(718) 780-4501  
EIN: 15-0539129

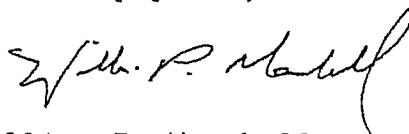
Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Upstate Home For Children, Inc.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,



William P. Marshall  
District Disclosure Officer

Name of Organization: Upstate Home For Children, Inc.

Date of Exemption Letter: April 1941

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii) of the Internal Revenue Code.

CINCINNATI OH 45999-0046

In reply refer to: 0223451321  
May 09, 2006 LTR 252C 0  
15-0539129 000000 00 000  
02475  
BODC: TE

SPRINGBROOK NY INC  
2705 STATE HWY 28  
ONEONTA NY 13820

05150

Taxpayer Identification Number: 15-0539129

Dear Taxpayer:

Thank you for the inquiry dated Mar. 21, 2006.

We have changed the name on your account as requested. The number shown above is valid for use on all tax documents.

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

Sincerely yours,

*James L. Fish*

James L. Fish, Manager  
Document Perfection Operations

Enclosure(s):  
Copy of this letter

F06011700/004

CERTIFICATE OF AMENDMENT  
OF

UPSTATE HOME FOR CHILDREN, INC.

FILED

2006 JAN 17 PM 3:19

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED JAN 17 2006

TAX \$             
BY: fmb

*Ofrego*

Filed By:

Liscock & Barclay, LLP  
One Park Place 300 South State Street  
Yonkers NY 13221

4

ROUTINE  
 24 HOUR

SAME DAY  
 2 HOUR

RECEIVED  
2006 JAN 17 PM 2:41  
JC -08  
AWDOWN



# Exempt Organization Certificate

# ST-119

(8/02)

The organization named below is exempt from payment of the New York State and local sales and use tax.

The number shown on this certificate must be entered on any Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, presented to a vendor. If this certificate is lost or destroyed, you may obtain a replacement by notifying the Exempt Organizations Unit.

This certificate will remain in effect unless it is revoked or canceled. Misuse of the authority granted under this certificate will result in the revocation of exempt status and subject the organization to substantial civil and criminal penalties.

SPRINGBROOK NY INC  
2705 STATE HWY 28  
ONEONTA, NY 13820-9753

Certificate number
EX 125560
Date issued
June 01, 1971

**This certificate may not be altered, changed, lent, or transferred to another organization or person.**

**EXHIBIT III**

**LETTER OF THE BANK REGARDING PURCHASE  
PRICE OF THE SERIES 2017 BONDS**

CLOSING ITEM NO.: G-3

**LETTER OF THE BANK REGARDING THE PURCHASE  
PRICE AND AVERAGE WEIGHTED MATURITY OF THE BONDS**

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York 12207

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

This letter is furnished by the undersigned, as an authorized officer of Citizens Bank, N.A., as the administrative agent (the "Agent") for Citizens Funding Corp, as initial purchaser ("Initial Purchaser") of the above-referenced bonds (the "Bonds") on the date hereof, to provide Otsego County Capital Resource Corporation (the "Issuer") and Hodgson Russ LLP, as Bond Counsel in respect of the Bonds, with certain information in connection with the issuance of the Bonds. Unless otherwise defined, capitalized terms used herein shall have the same meanings as in the Initial Tax Regulatory Agreement to which this letter will be attached. As Agent, Citizens Bank, N.A. hereby represents and certifies as follows:

(A) The Initial Purchaser has agreed to purchase the Bonds from the Issuer at a purchase price of \$10,500,000 (the "Purchase Price"), representing the aggregate principal face amount of the Bonds.

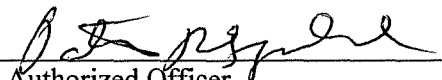
(B) The Initial Purchaser does not intend to offer the Bonds to the public. Because the Bonds are being privately placed, the Issue Price of the Bonds is determined on the basis of the price paid by the Initial Purchaser of the Bonds, and accordingly the Purchase Price of the Bonds, for purposes of the two percent (2%) cost of issuance limitation of Section 147(g) of the Code and the calculation of the Yield on the Bonds, is the "issue price" within the meaning of Section 1.148-1(b) of the Treasury Regulations which should be utilized in calculating the Yield on the Bonds.



(C) We have calculated the “average maturity” of the Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Internal Revenue Code of 1986, as amended (the “Code”), to be equal to **15.7721 years**.

The representations and other information contained herein is provided solely for your benefit in connection with the sale of the Bonds and may be relied upon by Hodgson Russ LLP, Bond Counsel, in connection with their opinion regarding the Bonds.

CITIZENS BANK, N.A.

BY:   
Authorized Officer

## **EXHIBIT IV**

### **OFFICIAL INTENT DECLARATION**

The Institution adopted a resolution regarding its “official intent” with respect to the Series 2017 Project on February 12, 2016. A copy of the resolution is attached.

# SPRINGBROOK

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105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
CHIEF EXECUTIVE OFFICER

## RESOLUTION #15-16 E

### RESOLUTION OF SPRINGBROOK NY, INC. DECLARING OFFICIAL INTENT IN CONNECTION WITH BONDS TO BE ISSUED BY OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

WHEREAS, Springbrook NY, Inc. (the "Borrower") proposes to undertake

- Parent Engagement Center (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Oneonta Campus Clinic (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Oneonta Campus Bathrooms (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Sidney and Oxford Renovations (the "Project") to be located at 245 Bird Avenue, Sidney, NY; 214 Johnston Circle, Sidney, NY; and 4346 County Route 32, Oxford, NY 13830; and
- Penthouse Replacement, ("the Project") to be located at 105 Campus Drive, Oneonta NY; and
- Penthouse Renovation, (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Norwich Renovation (the "Project") to be located at 5-9 West Main Street, Norwich, NY; and
- Oneonta Campus Renovation (the "Project") to be located at 5588 State Highway 7, Oneonta, NY; and
- Oneonta Medically Frail House (the "Project") to be located in Oneonta, NY; and
- Oneonta Behavioral House (the "Project") to be located in Oneonta, NY; and
- Broome County IRA I (the "Project") to be located in Broome County, NY; and
- Broome County IRA II (the "Project") to be located in Broome County, NY; and
- White Building Renovation (the "Project") to be located at 105 Campus Drive, Oneonta, NY; and
- Network Infrastructure (the "Project") to be located at various Springbrook locations; and
- On-Campus Replacement House, ("the Project") to be located at 105 Campus Drive, Oneonta NY,


WHEREAS, the Borrower has paid, or intends to pay, certain original expenditures for the Project estimated at \$ 10,500,000 ("Project Costs"); and

WHEREAS, the Borrower desires to (i) incur certain Project Costs, (ii) enter into negotiations with Otsego County Capital Resource Corporation (the "Issuer") to secure financing for the Project from proceeds of revenue bonds to be issued by the Issuer (the "Bonds"), and (iii) declare its intent to use the Bonds and the Borrower's equity including money received from capital campaigns and cash on hand to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower hereby resolves and declares its intent under Treasury Regulation § 1.150-2 to cause the Issuer to issue the Bonds and use its equity including money received from capital campaigns and cash on hand to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves, subject to the following conditions:

- a) The estimated maximum principal amount of the Bonds expected to be issued to finance the Project, including the amounts to be used to reimburse the expenditure of Project Costs which are paid prior to the issuance of the Bonds, is set at
- Parent Engagement Center (the "Project") at \$2,000,000
  - Oneonta Campus Clinic (the "Project") at \$1,375,000
  - Oneonta Campus Bathrooms (the "Project") at \$400,000
  - Sidney and Oxford Renovations (the "Project") at \$210,000
  - Penthouse Replacement, ("the Project") at \$1,375,000
  - Penthouse Renovation, (the "Project") at \$100,000
  - Norwich Renovation (the "Project") at \$200,000
  - Oneonta Campus Renovation (the "Project") at \$300,000
  - Oneonta Medically Frail House (the "Project") at \$700,000
  - Oneonta Behavioral House (the "Project") at \$700,000
  - Broome County IRA I (the "Project") at \$350,000
  - Broome County IRA II (the "Project") at \$400,000
  - White Building Renovation (the "Project") at \$600,000
  - Network Infrastructure (the "Project") at \$500,000
  - On-Campus Replacement House, ("the Project") at \$1,290,000
- b) Pending issuance of the Bonds, the Borrower may finance the Project with other funds which will be reimbursed with the proceeds of the Bonds, provided that (a) the Bonds shall not be used to reimburse any expenditure paid more than 60 days prior to the date this Resolution is adopted; (b) the Bonds shall not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds, or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and provided further that the limitations of this paragraph 2 shall not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation § 1.150-2(f).
- c) Issuance of the Bonds shall be subject to documentation acceptable to the officers of the Borrower and the Issuer providing for payment of principal, interest, and redemption price of the Bonds.
- d) This Resolution will take effect immediately.

IN WITNESS WHEREOF, I have hereunder set my hand on February 12, 2016.

  
Dr. Gerald Pondolfino  
Secretary  
Springbrook NY, Inc.

# SPRINGBROOK

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105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
EXECUTIVE DIRECTOR

## RESOLUTION OF THE BOARD OF DIRECTORS OF SPRINGBROOK NY, INC. IN REGARD TO THE UNDERTAKING AND FINANCING OF A CERTAIN PROJECT

### SPRINGBROOK RESOLUTION #16-17 A

WHEREAS, the administration of Springbrook, NY, Inc. (the "Company"), has recommended that the Company undertake and complete a project (the "Project") consisting of the acquisition, construction, renovation and equipping of:

- Parent Engagement Center to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #1 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #2 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #3 to be located at 105 Campus Drive, Oneonta, NY; and
- White Building Renovation to be located at 105 Campus Drive, Oneonta, NY; and
- Oneonta Campus Renovation to be located at 5588 State Highway 7, Oneonta, NY; and
- Spencer Drive House to be located at 6 Spencer Drive, Oneonta, NY; and
- Network Infrastructure to be located at various Springbrook locations.

for the purpose of expanding its facilities for the provision of educational and clinical services for children and adults diagnosed with developmental disabilities and related activities; and

WHEREAS, the administration of the Company has determined to finance the acquisition, construction, renovation and equipping of the Project through the issuance by the Otsego County Capital Resource Corporation (the "Issuer") on behalf of the Company of revenue bonds in a principal amount not to exceed \$10,500,000.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Company as follows:

Section 1. Approval of Project. The Company is hereby authorized to undertake and complete the acquisition, construction, renovation and equipping of the Project.

Section 2. Approval of Borrowing. The Company is hereby authorized to undertake the financing of the Project through a borrowing by the Company from the Issuer through the issuance by the Issuer of its variable rate bonds (the "Bonds"). The borrowing shall be in a

principal amount, which, in the judgment of the officer of the Company identified in Section 6 hereof (hereafter referred to as the "Authorized Officer"), will be sufficient to pay the costs of the Project and to pay costs associated with the financing, but in no event in excess of \$10,500,000, plus all legal, Issuer fees, costs of issuance and other costs associated with the issuance of the Bonds (the "Issuance Costs"). The Authorized Officer of the Company is hereby authorized to approve the Issuance Costs payable in connection with the Bonds. A certification of the Authorized Officer as to the amount of such Issuance Costs shall be conclusive.

Section 3. Authorization of Financing Documents. Each Authorized Officer of the Company is authorized, in the name and on behalf of the Company, to negotiate, execute, deliver and/or approve the following and any other documents necessary to secure the borrowing in connection with the Project (collectively, the "Financing Documents"):

(a) agreements for the purchase, construction, equipping and renovations included in the Project;

(b) bond purchase and continuing covenants agreement with Citizens Funding Corp., as purchaser, and Citizens Bank, N.A., as purchaser's agent, providing for purchase of the Bonds;

(c) a loan agreement or amendment to any existing loan agreement (together, the "Financing Agreement") with the Issuer which shall contain, among other things, provisions for the payment to the Issuer of amounts necessary to pay the principal of and interest on the Bonds, and for the pledging of security for the Bonds and the Company's obligations under the Financing Agreement;

(d) consents to a supplemental indenture providing for the issuance of the Bonds;;

(e) interest rate swap, cap and/or lock agreements with Citizens Bank, N.A. associated with the Bonds and the Company's obligations under the Financing Agreement and related schedules, credit annexes and confirmations with one or more counterparties and all further agreements required by such counterparties;

(f) tax compliance agreements with the Issuer with such terms and conditions as required by bond counsel to the Issuer in connection with the tax-exempt status of the Bonds; and

(g) all such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents as are necessary or appropriate to complete the Project, the issuance of the Bonds or to carry out the foregoing.

Section 4. Security. The Company will (if necessary or deemed advisable by the Authorized Officer of the Company) grant a mortgage or mortgages or security interests to secure the obligations of the Company relating to the Financing Documents. Each Authorized Officer of the Company is hereby authorized to execute and deliver such mortgages, security agreements and pledge agreements covering such portions of the real or personal property now or hereafter acquired by the Company as he or she deems necessary and appropriate together with any associated loan agreements, promissory notes, credit agreements, and uniform

commercial code financing statements which are necessary or desirable in connection with the borrowing and other transactions authorized by this resolution. The mortgages, security agreements, pledge agreements, and any promissory notes, loan agreements, credit agreements, or other agreements, which may be necessary shall be affected pursuant to a mortgage instrument or instruments or other appropriate documents which shall contain such terms and conditions as are customary in transactions of a similar kind.

Section 5. Further Authorization. Each Authorized Officer of the Company is authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby, including, without limitation, the creation of new bank accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Company with all the terms, covenants and provisions of the Financing Documents binding upon the Company. Notwithstanding any other provision of this resolution, each Authorized Officer of the Company shall have full authority and power on behalf and in the name of the Company to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the borrowing and other transactions authorized herein.

Section 6. Authorized Officer. The Chief Executive Officer, the Chief Operating Officer and the Director of Finance are each hereby authorized to negotiate, prepare, execute, deliver and approve, in the name and on behalf of the Company, the Financing Documents and any and all documents and other agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein. The execution and delivery by either Authorized Officer of the Financing Documents and other documents and agreements to be executed and delivered by the Company in connection with the borrowing and other transactions authorized herein shall be conclusive evidence of such officer's approval thereof.

Section 7. Declaration of Intent. The Company hereby declares its official intent to finance the cost of the Project with proceeds of tax exempt obligations to be issued on behalf of the Company by the Issuer. This resolution is intended to constitute the declaration of the Company's "official intent" to reimburse expenditures in connection with the Project with proceeds of obligations issued for that purpose in accordance with Treasury Department Regulation §1.150-2.

Section 8. Effective Date. This resolution shall take effect immediately.

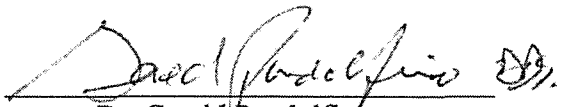
STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF OTSEGO    )

I, the undersigned, Secretary of Springbrook NY, Inc. (the "Company"), do hereby certify:

1. That I have compared the annexed resolution of the Board of Directors of the Company dated November 18, 2016, with the original thereof on file in my office and the same is a true and complete copy of the proceedings of the Board of Directors of the Company and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

2. I further certify that the attached resolution enacted by the Board of Directors of the Company amends Springbrook Resolution 15-16 E, dated February 12, 2016, and has not been amended or repealed, and is in full force and effect on and as of the date of this Certificate.

IN WITNESS WHEREOF, I have hereunder set my hand on November 18, 2016.

  
\_\_\_\_\_  
Dr. Gerald Pondolfino  
Secretary  
Springbrook NY, Inc.



**STEWART TITLE INSURANCE COMPANY**

47 W. Main Street, Rochester, NY 14614  
**COMMITMENT FOR TITLE INSURANCE**

Applicant: **Bond, Schoeneck & King, PLLC**  
Attention: **Kevin M. Pole**  
Title No.: **30-346213**  
Property: **Town of Milford, Otsego County**

UPON EXAMINATION OF TITLE to the premises described in Schedule 'A' we find the same as of **November 22, 2016**, vested in fee simple in **Springbrook NY, Inc.**, by **Deed from County of Otsego Industrial Development Agency dated September 23, 2010 and recorded in the Otsego County Clerk's Office on September 28, 2010 in Instrument #2010-4471 and Warranty Deed with Lien Covenant from Denise Eckman-Ornstein and Lisa Dardano, as Trustees of the Theresa J. Eckman Family Trust and Theresa J. Eckman dated April 26, 2010 and recorded in the Otsego County Clerk's Office on May 21, 2010 at Instrument #2010-2264.**

UPON receipt of its scheduled premium, this Corporation covenants to issue its Loan Policy in the amount of **\$10,500,000.00** subject to the conditions of Schedule 'B' herein. This Commitment shall constitute a binder to issue said Policy to **Otsego County Capital Resource Corporation and Citizens Bank, N.A., as Administrative Agent for Citizens Funding Corp., its successors and/or assigns. Springbrook NY, Inc., the borrower(s).**

THIS Commitment is preliminary to the issuance of such policy or policies of title insurance and shall become null and void and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company

STEWART TITLE INSURANCE COMPANY

  
\_\_\_\_\_  
Authorized Signatory

03/08/2017  
Date

  
\_\_\_\_\_  
Authorized Signatory

3-27-17  
Redated

**Exceptions appearing herein may affect marketability of title. Your lawyer should be consulted before taking any action based upon the contents of this report. Title insurance companies may not act as legal advisors.**

Address Inquiries to:  
**Kevin M. Pole, Esq.**  
**Bond, Schoeneck & King, PLLC**  
**One Lincoln Center**  
**Syracuse, NY 13202**  
30-346213  
March 08, 2017

**STEWART TITLE INSURANCE COMPANY**

**POLICY AND ENDORSEMENT FORMS**

- [ X ] ALTA Loan Policy (06/17/06) with Standard NY Endorsement
- [ X ] TIRSA Endorsement 9 (Restrictions, Encroachments, Minerals)(Loan Policy)(\$2,289.00)
- [ X ] TIRSA Mortgage Tax Endorsement (Loan Policy)(\$25.00)
- [ X ] TIRSA Tax Parcel Endorsement (More Than One Tax Lot)(\$25.00)
- [ X ] TIRSA Waiver of Arbitration Endorsement(\$25.00)
- [ X ] TIRSA 8.1 EPL Endorsement (Environmental Protection Lien)(Loan Policy)(\$25.00)
- [ X ] TIRSA Variable Rate Mortgage Endorsement (Fixed Rate Conversion)(Loan Policy)(\$25.00)
- [ X ] TIRSA Land Same as Survey Endorsement(\$25.00)

**PREMIUMS**

Loan Policy... \$27,752.00

TIRSA Endorsement 9 (Restrictions, Encroachments, Minerals)(Loan Policy)... \$2,289.00

TIRSA Mortgage Tax Endorsement (Loan Policy)... \$25.00

TIRSA Tax Parcel Endorsement (More Than One Tax Lot)... \$25.00

TIRSA Waiver of Arbitration Endorsement... \$25.00

TIRSA 8.1 EPL Endorsement (Environmental Protection Lien)(Loan Policy)... \$25.00

TIRSA Variable Rate Mortgage Endorsement (Fixed Rate Conversion)(Loan Policy)... \$25.00

TIRSA Land Same as Survey Endorsement... \$25.00

\*\*\* Total Premium

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\$30,191.00



## AVAILABLE ENDORSEMENTS

25	General Endorsement
25A5	TIRSA Leasehold Endorsement (Loan Policy)
25A6	TIRSA Leasehold Endorsement (Owner's Policy)
25A7	TIRSA Cooperative Endorsement (Loan Policy)
25A8	TIRSA Cooperative Endorsement (Owner's Policy)
25A9	Junior Loan Policy Endorsement 2
25A10	TIRSA Co-Insurance Endorsement
25C1	TIRSA Endorsement 9 (Restrictions, Encroachments, Minerals)(Loan Policy)
25C3	TIRSA New York Fairway Endorsement (Owner's Policy)
25C4	TIRSA Non-Imputation Endorsement (Owner's Policy)
25C51	TIRSA RCE-1 (Residential Revolving Credit)(Loan Policy)
25C52	TIRSA RCE-2 (Commercial Revolving Credit)(Loan Policy < 3 million)
25C53	TIRSA RCE-3 (Commercial Revolving Credit)(Loan Policy < 3 million, < 3 year, Non-Construction)
25C54	TIRSA RCE-4 (Commercial Revolving Credit)(Loan Policy over 3 million)
25C6	TIRSA Market Value Policy Rider Endorsement (Owner's Policy)
25C7	TIRSA Joint and Several Liability Endorsement
25C8	TIRSA Swap Agreement Endorsement (Loan Policy)
25C9	TIRSA Additional Interest Endorsement (Loan Policy)
25C10	TIRSA First Loss Endorsement (Loan Policy)
25C12	TIRSA Contract Vendee Endorsement (Residential)
25C13	TIRSA Contract Vendee Endorsement (Commercial)
25C14	Option Endorsement (10/22/99)
25C15	TIRSA Partial Release of Mortgaged Premises Endorsement (12/27/00)
25C16	TOEPP Market Value Rider
25C17	Mezzanine Financing Endorsement (Owner's Policy Only)
25D1	TIRSA Endorsement 6 (Variable Rate Mortgage)(Loan Policy)
25D2	TIRSA Endorsement 7 (Manufactured Housing Unit)
25D3	TIRSA Fannie Mae Balloon Mortgage Endorsement (Loan Policy)
25D4	TIRSA Endorsement 4 (Condominium)
25D6	TIRSA Planned Unit Development Endorsement
25D7	TIRSA Land Same as Survey Endorsement
25D8	TIRSA New York City 'Development Rights' Endorsement
25D9	TIRSA Variable Rate Mortgage Endorsement (Fixed Rate Conversion)(Loan Policy)
25D10	TIRSA Endorsement 6.2 (Variable Rate Mortgage Endorsement Negative Amortization)(Loan Policy)
25D11	TIRSA 8.1 EPL Endorsement (Environmental Protection Lien)(Loan Policy)
25D13	TIRSA Waiver of Arbitration Endorsement (Owners and Loan Policy)
25D14	TIRSA Residential Mortgage Endorsement (1-4 family)(Loan Policy)
25D15	TIRSA 8.1 EPL Endorsement (NYC Only)(Loan Policy)
25D16	TIRSA 8.1 EPL Endorsement (Gov. Agency)(Loan Policy)
25D17	TIRSA Reverse Mortgage Endorsement (Loan Policy)
25D18	TIRSA Successor in Ownership of Indebtedness Endorsement (Loan Policy)
25D19	TIRSA Cluster Endorsement (Loan Policy)
25D22	TIRSA IDA or Similar Public Benefit Corporation Transfer to Beneficial Owner Endorsement
25D23	TIRSA Access (Loan Policy)
25D24	TIRSA Contiguity Endorsement (Loan and Owner's Policies)
25D25	TIRSA Mortgage Tax Endorsement (Loan Policy)
25D26	TIRSA Tax Parcel Endorsement (Single Tax Lot)
25D27	TIRSA Tax Parcel Endorsement (More Than One Tax Lot)
29BCON	Contract Vendee Insurance - Owner's Policy Continuation
31B	Junior Loan Policy Endorsement 1
31C	Junior Loan Policy Endorsement 2
35A	Mezzanine Financing Endorsement (Owner's Policy Only)

## SCHEDULE A

### PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;

1/10/14  
KMP

- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of  $10^{\circ} 28' 41''$ ; and
- 7) South  $04^{\circ} 33' 47''$  West 109.86 feet to the point of beginning. Containing 77.3265 acres.

#### PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South  $73^{\circ} 35' 50''$  West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North  $50^{\circ} 59' 04''$  West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North  $33^{\circ} 30' 56''$  East 66.06 feet;
- 2) North  $56^{\circ} 29' 05''$  West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North  $19^{\circ} 22' 05''$  East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South  $50^{\circ} 24' 08''$  East a distance of 2,028.49 feet to a point; running thence North  $63^{\circ} 19' 46''$  East a distance of 81.65 feet to a point; running thence South  $24^{\circ} 25' 19''$  East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South  $17^{\circ} 59' 28''$  East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

#### PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North  $73^{\circ} 35' 36''$  East 259.39 feet;
- 2) North  $84^{\circ} 36' 54''$  East 289.24 feet;
- 3) South  $80^{\circ} 54' 24''$  East 145.00 feet;
- 4) South  $80^{\circ} 54' 24''$  East 77.00 feet;
- 5) North  $50^{\circ} 35' 27''$  West 25.00 feet;
- 6) South  $80^{\circ} 54' 24''$  East 55.16 feet;

- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

#### PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

#### PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South 03°21'23" East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of 09° 08'14";
- 3) South 12° 29'37" East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of 03°17'47";
- 5) South 09°11'50" East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 71°23'21" West 481.85 feet;
- 2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

- 1) North 39°34'28" East 621.08 feet;
- 2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

- 1) South 52°59'18" East 48.34 feet;
- 2) North 89°31'36" East 123.99 feet;

to the point of beginning.

6/1/11  
Knapp

## SCHEDULE B

### SECTION I

**MATTERS TO BE DISPOSED OF ON OR BEFORE CLOSING OF TRANSACTION. THESE MATTERS WILL APPEAR ON OUR POLICY AS EXCEPTIONS FROM COVERAGE UNLESS DISPOSED OF TO THE SATISFACTION OF STEWART TITLE INSURANCE COMPANY OR ITS DULY AUTHORIZED REPRESENTATIVE PRIOR TO OR ON THE DATE OF CLOSING.**

- Omit  
Emp*
1. Continuation of all searches to date of closing.
  2. Proper execution, delivery and recordation of conveyance and/or Mortgage necessary to consummate the transaction contemplated herein.
  3. Lien Clause pursuant to Section 13 of Lien Law in all Deeds and Mortgages to be recorded.
  4. Furnish proof that the premises have no partial or full exemption from Real Property Taxes.
  5. Compliance with Section 253-b of the Tax Law, (Credit Line Mortgage), is required before an instrument evidencing a sale or transfer of this real property can be recorded.
  6. No title or interest is insured to any land within the lines of any highway or road entering into, running through or abutting upon the premises.
  7. Insurance Law Section 6409 Subsection C requires that title companies offer, at or prior to closing, an optional policy rider to insure the title of owner-occupied real property of a 'homeowner' for its FUTURE market value. A 'homeowner' is a natural person, fee owner and resident of a one - four family dwelling, a residential condominium unit, or a residential co-operative leasehold interest. If eligible as a 'homeowner', you may therefore elect to obtain protection in excess of your purchase price. The benefits of this Rider shall be available only to the named insured provided he is a 'homeowner' as defined herein at the date of the issuance of this Rider and at the date any claim under this Rider is made. If you do not wish this additional statutory coverage, you **MUST WAIVE** by signing the form attached to this report.
  8. Proof to be obtained at closing that the owner to be insured hereunder is in sole and exclusive possession of the premises described in Schedule "A" herein.
  9. Solid waste usage fee.
  10. Springbrook NY, Inc.
    - (a) certificate of good standing
    - (b) resolutions

*Mortgage  
Emp*

11. Mortgage between Springbrook NY, Inc. and Otsego County Capital Resource Corporation and RBS Citizens, N.A. in the amount of \$25,200,000.00 dated September 1, 2010 and recorded in the Otsego County Clerk's Office on September 28, 2010 in Instrument #2010-4472 (affects parcel I, II, III and IV).  
*Mortgage is Re-issued with mfg insured herewith*  
Building Loan Agreement dated September 1, 2010 and filed in Otsego County Clerk's Office on September 28, 2010.

Assignment of Mortgage from Otsego County Capital Resource Corporation to RBS Citizens, N.A. dated September 23, 2010 and recorded in the Otsego County Clerk's Office on September 28, 2010 in



Instrument #2010-4473.

12. Second Mortgage Assignment of Leases and Rents and Security Agreement between Springbrook NY, Inc. and RBS Citizens, N.A. in the amount of \$700,000.00 dated March 25, 2014 and recorded in the Otsego County Clerk's Office on March 28, 2014 in Instrument #2014-1363 (affects parcel I, II and V)

13. Financing Statement UCC filed March 28, 2014 Instrument #2014-732.

14. Subject to a Building Loan Agreement to be recorded.

*mortgage is subordinate to  
mtg @ 4 11 + the New mtg  
issued herewith*

## SCHEDULE B

### SECTION II EXCEPTIONS WHICH WILL APPEAR IN TITLE POLICY

The following matters are expressly excluded from the coverage of the policy to be issued, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- policy  
KMP*
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
  - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
  2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
  3. Defects, liens, encumbrances, adverse claims, or other matters:
    - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
    - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
    - (c) resulting in no loss or damage to the Insured Claimant;
    - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Loan Policy Covered Risk 11, 13, or 14 or Owner's Policy Covered Risk 9 and 10); or
    - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage (Loan Policy) or the Title (Owner's Policy).
  4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated (Loan Policy Only).
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law (Loan Policy Only).

**SEE SCHEDULE B II (CONTINUED)**

## SCHEDULE B

### SECTION II (CONTINUED)

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage (Loan Policy) or vesting the Title as shown in Schedule A (Owner's Policy), is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of the policy (Loan Policy) or in Covered Risk 9 of the policy (Owner's Policy).

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer that vests the Title as shown in Schedule A (Owner's Policy) or Insured Mortgage (Loan Policy), in the Public Records. This Exclusion does not modify or limit the coverage provided under Loan Policy Covered Risk 11(b).

8. Subject to any state of facts an inspection of the premises would show (Owner's Policy Only).

9. Rights of lessees or any parties in possession of the premises other than the insured or owner (Owner's Policy Only).

10. No title or interest is insured to any land within the lines of any highway or road entering into, running through or abutting upon the premises.

11. Agreement for right of way between Upstate Baptist Home for Children and New York State Gas & Electric Corp. dated September 14, 1925 and recorded in the Otsego County Clerk's Office on September 21, 1925 in Book 333 of Deeds at Page 100. Affects Parcel I and II

12. Easement to New York State Electric & Gas Corporation dated April 29, 1955 and recorded in the Otsego County Clerk's Office on January 23, 1959 in Book 490 of Deeds at Page 348. Affects Parcel I

13. Easement in appropriation of property to the People of the State of New York dated April 22, 1958 and recorded in the Otsego County Clerk's Office on March 11, 1959 in Book 491 of Deeds at Page 367. Affects Parcel III

14. Easement to New York State Electric & Gas Corporation dated September 30, 1969 and recorded in the Otsego County Clerk's Office on October 16, 1969 in Book 606 of Deeds at Page 657. Affects Parcel I and II

15. Easement to New York State Electric & Gas Corporation dated August 8, 1975 and recorded in the Otsego County Clerk's Office on August 20, 1975 in Book 644 of Deeds at Page 1134. Affects Parcel I

16. Easement to New York State Electric & Gas Corporation dated December 15, 1976 and recorded in the Otsego County Clerk's Office on December 21, 1976 in Book 652 of Deeds at Page 1122. Affects Parcel I and II

17. Easement to New York State Electric & Gas Corporation dated February 4, 1983 and recorded in the Otsego County Clerk's Office on February 28, 1983 in Book 688 of Deeds at Page 954. Affects Parcel I

policy  
exp

18. Easement to New York State Electric & Gas Corporation dated August 7, 1989 and recorded in the Otsego County Clerk's Office on August 30, 1989 in Book 739 of Deeds at Page 871. Affects Parcel I and III
19. Easement to New York State Electric & Gas Corporation dated May 8, 1992 and recorded in the Otsego County Clerk's Office on June 18, 1992 in Book 760 of Deeds at Page 706. Affects Parcel I
20. Agreement for right of way between Isaac E. Lamb and Addie Lamb and New York State Gas & Electric Corp dated August 13, 1925 and recorded in the Otsego County Clerk's Office August 29, 1925 in Book 332 of Deeds at Page 511. Affects Parcel IV
21. Easement to New York State Electric & Gas Corporation dated June 23, 1958 and recorded in the Otsego County Clerk's Office on January 23, 1959 in Book 490 of Deeds at Page 436. Location unknown
22. Easement to New York State Electric & Gas Corporation dated September 17, 1969 and recorded in the Otsego County Clerk's Office on January 19, 1970 in Book 607 of Deeds at Page 1011. Affects Parcel I and II
23. Easement to New York State Electric & Gas Corporation dated December 22, 1976 and recorded in the Otsego County Clerk's Office on January 4, 1977 in Book 653 of Deeds at Page 133. Affects Parcel I and II
24. Easement to New York State Electric & Gas Corporation dated November 29, 1995 and recorded in the Otsego County Clerk's Office on February 2, 1996 in Book 785 of Deeds at Page 274. Affects Parcel I and III
25. Easement to New York State Electric & Gas Corporation dated October 31, 1996 and recorded in the Otsego County Clerk's Office on January 20, 1997 in Book 792 of Deeds at Page 335. Affects Parcel I and III
26. Easement to New York State Electric & Gas Corporation dated July 7, 1998 and recorded in the Otsego County Clerk's Office on July 30, 1998 in Book 838 of Deeds at Page 280. Affects Parcel I
27. Easement to New York State Electric & Gas Corporation dated September 24, 1999 and recorded in the Otsego County Clerk's Office on October 28, 1999 in Book 881 of Deeds at Page 268. Affects Parcel I
28. Easement to New York State Electric & Gas Corporation dated December 6, 2010 and recorded in the Otsego County Clerk's Office on January 26, 2011 at Instrument #2011-469. Affects Parcel I
29. Easement to New York State Electric & Gas Corporation dated March 21, 2011 and recorded in the Otsego County Clerk's Office on July 20, 2011 at Instrument #2011-3344. Affects Parcel II
30. Easement to New York State Electric & Gas Corporation dated September 15, 1969 and recorded in the Otsego County Clerk's Office on December 1, 1969 in Liber 607 of Deeds at Page 329. Affects Parcel V
31. Easement to New York State Electric & Gas Corporation recorded in the Otsego County Clerk's Office on August 11, 1925 in Liber 332 of Deeds at Page 509. Affects Parcel V

This policy insures that the above-noted easements and/or rights of way will not interfere with the use and enjoyment of the improvements on the premises insured hereunder.

32. Survey prepared by Lawson Surveying & Mapping dated October 26, 2000 and revised August 9, 2010, August 17, 2010 and November 10, 2016 discloses:

Pent House 1 story wood frame, asphalt parking and 1 story frame and fence located in 10.2305 acre parcel

Cheelis Nichols 2 story frame

White House 2 story frame

area under construction

Multi-level brick building, gym and parking

Snell house 1 story frame deck and fence

Sunshine house, 1 story frame, deck, shed and transformer

Asphalt parking, asphalt drives, dirt drive

Elizabeth Taylor house, 1 story frame

Leona McDowell house, 1 story frame

70' and 100' easements

LaChase House 1 story frame

Scriven House 1 story frame

Wright House 1 story frame, transformer

playground

water tower

old building no foundation

all located in 77.3265 acre parcel

easement 30'

septic pump out

NYS DOT easement

Spring Brook

all located in parcel 14.144 acres south of NY State Rt 28

70' and 100' easements

gravel and asphalt drives

1 story building and concrete pad

run off absorption area

barn

all located in parcel 9.308 acres

33. Pending disbursement of the full proceeds of the loan secured by a mortgage described herein, this policy insures only to the extent of the amount actually disbursed plus interest accrued thereon at the time of issuance of the policy,

34. The insured mortgage covers the insured premises together with other premises not insured hereunder. (Parcel IV of Schedule A)

1/1/14  
KMP

**STEWART TITLE INSURANCE COMPANY  
APPLICATION CONFIRMATION**

Date: **March 08, 2017**

To: **Bond, Schoeneck & King, PLLC**

Property: **Town of Milford, Otsego County**

**STEWART TITLE INSURANCE COMPANY Hereby Confirms its Receipt of an Application for the following title products:**

[ X ] ALTA Loan Policy of Title Insurance, in the amount \$10,500,000.00

**IF THIS IS A REFINANCE WITHIN 10 (TEN) YEARS, YOU MAY BE ENTITLED TO A REDUCED PREMIUM. CONTACT THIS COMPANY IMMEDIATELY FOR DETAILS.**

STEWART TITLE INSURANCE COMPANY

BY: \_\_\_\_\_  
Authorized Signatory

**STEWART TITLE INSURANCE COMPANY  
NOTICE OF AVAILABILITY OF OWNER'S TITLE INSURANCE**

Date: **March 08, 2017**

To: **Springbrook NY, Inc.**

Buying property identified as: **Town of Milford, Otsego County**

A Mortgagee's Policy of title insurance insuring the title to the property you are buying is being issued to your mortgage lender, but that policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of Title Insurance which provides title insurance to you. If you request it at this time the total premium for both policies will be **\$ TBD**. This is an additional **\$ TBD** above the cost of the Lender's Policy.

If you are uncertain as to whether you should obtain an Owner's Policy of title insurance, you are urged to seek independent advice.

**STEWART TITLE INSURANCE COMPANY**

I/We do request an Owner's Policy of title insurance.

I/We do not request an Owner's Policy of title insurance.

Date: \_\_\_\_\_ Buyer: \_\_\_\_\_

Buyer: \_\_\_\_\_

# **STEWART TITLE INSURANCE COMPANY**

## **PRIVACY POLICY NOTICE**

### **PURPOSE OF THIS NOTICE**

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Stewart Title Insurance Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance;
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT THIS IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



STATE OF NEW YORK )  
                          )  
                          )  
COUNTY OF OTSEGO )

UCC SEARCH

NO. C11002B

COOPER COUNTRY ABSTRACT COMPANY, INC., a corporation organized under the Laws of the State of New York,

**DOES HEREBY CERTIFY:**

THAT it has examined the following indices in the Office of the Clerk of Otsego County.

UNIFORM COMMERCIAL CODE (Personal & Real Property) for 5 years past

THAT the above noted indices, files and records have been examined against the persons or entities named below.

THAT the following are abstracts of all instruments, liens, and encumbrances appearing in the above listed files and records affecting the persons or entities named below except as appear by notation on the record to have been discharged, satisfied, or cancelled, and consists of three items.

THAT no search has been made for unpaid TAXES.

NAME

1. SPRINGBROOK NY, INC.
2. UPSTATE HOME FOR CHILDREN FOUNDATION, INC

THAT the undersigned takes no responsibility and assumes no liability for corrections made to any entry in the aforesaid Computer System by the aforesaid Clerk's Office subsequent to the date of this Search.

WITNESS the Corporate Seal and signature of the Corporation, this 13<sup>TH</sup> day of March 2017 at 9:00 o'clock in the forenoon.

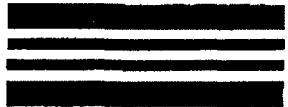
COOPER COUNTRY ABSTRACT COMPANY, INC.

SEAL

by



Robert W. Birch, President



2012-488  
08/03/2012 02:11:57 PM  
9 Pages  
UCC RP

FILED  
Kathy Sinnott Gardner, Otsego County Clerk

Clerk JB

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
Jean S. Everett, Esq.

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

Jean S. Everett  
3070 Muirfield Road  
Center Valley, PA 18034

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**2705 State Highway 28 Oneonta NY 13820 USA**

1d. **1a. TYPE OF ORGANIZATION** 1e. **JURISDICTION OF ORGANIZATION** 1f. **ORGANIZATIONAL ID #, if any**  
Not Applicable Debtor not-for-profit New York State NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. **1a. TYPE OF ORGANIZATION** 2e. **JURISDICTION OF ORGANIZATION** 2f. **ORGANIZATIONAL ID #, if any**  
Not Applicable Debtor NONE

**3. SECURED PARTY'S NAME (BY NAME OR TOTAL ASSIGNEE OF ASSIGNOR OR PFI) - Insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**250 South Clinton Street Syracuse NY 13202 USA**

4. This FINANCING STATEMENT covers the following collateral:  
**All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Mortgage, Assignment of Leases and Rents and Security Agreement dated as of July 1, 2012 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION (if applicable): LESSOR/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOBY SELLER/BUYER AG. LIEN NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.  Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional).  All Debtors  Debtor 1  Debtor 2

7. OPTIONAL FILER REFERENCE DATA  
**Springbrook - Mortgage 2012**

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC-1) (REV. 05/22/02)

CCA Item # 1

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

10. ORGANIZATION'S NAME  
 OR **SPRINGBROOK NY, INC.**

10. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only org name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. IDENTIFICATION ADDL INFO RE 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any

Not Applicable ORGANIZATION DEBTOR  NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - Insert only org name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers  debtor to be cut or  ex-estreated collateral, or is filed as a  future filing.

14. Description of real estate:  
 Exhibit A attached hereto  
 Schedule

16. Additional collateral description:  
 See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.  
 Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Debtor"), has given a Mortgage, Assignment of Leases and Rents and Security Agreement dated as of July 1, 2012 (as amended, modified, restated or supplemented from time to time, the "Series 2012A Mortgage"), in favor of RBS Citizens, N.A. (the "Bank") and Otsego County Capital Resource Corporation (the "Issuer") as security for the payment of all sums due under a Bond Purchase Agreement and Reimbursement Agreement dated as of September 1, 2010, between the Debtor and the Bank, as amended and supplemented by a certain Supplement to Bond Purchase Agreement and Reimbursement Agreement dated as of July 1, 2012, between the Debtor and the Bank and a Loan Agreement dated as of September 1, 2010, between the Debtor and the Issuer, as amended by Amendment to Loan Agreement dated July 1, 2012, between the Debtor and the Issuer, with consent of Manufacturers and Traders Trust Company, as trustee. Pursuant to an Assignment of Mortgage dated as of July 1, 2012, the Issuer assigned all its right, title and interest in and to the Series 2012A Mortgage to the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Series 2012A Mortgage.

Pursuant to the Series 2012A Mortgage, the Debtor granted to the Bank and the Issuer a security interest in, and pledged and assigned to the Bank and the Issuer all of the estate, right, title and interest of the Debtor in, to and under any and all of the following described property (the "Series 2012A Mortgaged Property"), whether now owned or held or thereafter acquired, to secure the payment and performance in full of the Obligations of the Debtor:

(a) (i) the real property more particularly described in Exhibit A attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "Land"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Institution in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the Series 2012A Project Facility;

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Series 2012A Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Series 2012A Mortgaged Property or now or thereafter transferred to the Series 2012A Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

proposed, in front of or adjoining the Series 2012A Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Series 2012A Mortgaged Property or the other real property described above now or thereafter entered into and the right to receive and apply the rents, issues and profits of the Series 2012A Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Institution shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Series 2012A Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Institution's right to use such insurance proceeds or condemnation award for restoration of the Series 2012A Mortgaged Property as provided in the Bond Purchase Agreement;

(f) all right, title and interest of the Institution in and to all contracts from time to time executed by the Institution or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Series 2012A Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Series 2012A Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Series 2012A Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Series 2012A Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Series 2012A Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

EXHIBIT A

PARCEL 1 - 5588 State Highway 7

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Oneonta, County of Otsego, State of New York, bounded and described as follows:

BEGINNING at a point in the southerly bounds of New York State Route No. 7 (S.H. 162) at the northeasterly corner of lands of Emmons Farms Corp. (L 625 P 331); running thence easterly along the southerly bounds of New York State Route 7 (S.H. 162) the following two courses and distances:

- 1) North 54°38'53" East 402.02 feet;
- 2) North 58°20'22" East 206.48 feet

to a point; running thence southerly through lands of Emmons Farms Corp. along the westerly bounds of a lease as shown on Otsego County filed map No. 3783 the following seven courses and distances:

- 1) South 04°23'59" West 159.63 feet;
- 2) South 13°01'01" East 124.11 feet;
- 3) South 18°10'32" West 124.86 feet;
- 4) South 01°10'02" West 110.06 feet;
- 5) South 13°33'03" East 76.88 feet;
- 6) South 02°56'19" East 164.60 feet;
- 7) South 00°45'09" East 358.57 feet

to a point in the northerly bounds of Interstate Route 88 (I-508); running thence South 56°10'57" West along the northerly bounds of Interstate Route 88 (I-508) a distance of 721.09 feet to the southeasterly corner of lands of John W. Brooks and Joan S. Brooks (L 694 P 307); running thence North 04°23'59" East along the easterly bounds of lands of said Brooks and lands of Emmons Farms Corp. (L 625 P 331) a distance of 1170.20 feet to the point of beginning.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

PARCEL 2 - 424 Route 9

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Oneonta County of Otsego and State of New York, bounded and described as follows:

Beginning at a point in the centerline of County Route 9 (nine) with the lands of Robert A. Gravelin (606-789) on the South and lands being described on the North; said point also being N 71-07-10 W, 25.48 feet from an iron rod; thence along the centerline of said route N 07-46-27 E, 256.40 feet to a point in the centerline of said route; thence S 82-13-33 E, 25.00 feet to a point in the westerly bounds of County Route 8 (eight) (Reference: Otsego Highway Taking Map No. 8-1, dated August, 1967); thence along the westerly bounds of said route S 15-17-11 E, 310.56 feet to a concrete monument; thence continuing along said bounds S 26-57-11 E, 297.29 feet to a point; thence continuing along said bounds the following courses:

1. S 45-34-11 E, 45.33 feet
2. S 44-25-49 W, 19.57 feet
3. S 30-34-16 W, 43.28 feet
4. S 07-13-21 W, 48.15 feet
5. S 36-22-44 E, 110.63 feet
6. S 53-37-16 W, 26.89 feet
7. S 12-07-11 E, 120.92 feet
8. S 41-12-11 E, 244.87 feet

and N 89-37-10 E, 23.02 feet to a point in Otsego Creek; thence along the lands of New York State Electric and Gas Corporation (Reference: "Map showing a subdivision of the lands for New York State Electric and Gas Corp.", by Richard E. Parsons, L.S., N.Y.S. License No. 49317, dated July 1, 1987, Filed map no. 2013) the following courses:

1. S 00-22-50 E, 17.85 feet
2. S 11-05-55 W, 106.12 feet

and S 29-07-13 W, 27.65 feet to a point in Otsego Creek; thence along the division line of Lot 2 (two) of a "Survey of Property for Anna Maria Lusins", as prepared by Ronald Mullenix, P.L.S., N.Y.S. License No. 49188, dated February 2, 1989, Project No. 8904, on the South and lands being described on the North, N 59-51-25 W, 329.14 feet and N 48-29-12 W, 478.36 feet to a point in the centerline of County Route 9 (nine); thence along the centerline of said route N 20-48-11 E, 58.70 feet and N 17-32-01 E, 143.86 feet to a point in said centerline; said point also being N 67-07-10 W, 28.07 feet from an iron rod; thence along the lands of Gravelin, to and beyond said iron rod, S 67-07-10 E, 125.11 feet to a point; thence continuing along the lands of Gravelin, N 16-02-50 E, 345.25 feet to an iron rod; thence continuing along the lands of Gravelin N 71-07-10 W, 125.40 feet to the point of beginning; containing 6.221 acres of land.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

The above described parcel also being Lot 1 (one) of Survey of Property for Anna Marie Lusins, as prepared by Ronald Mullenix, P.L.S., N.Y.S. License No. 49188, dated February 2, 1989, Project No. 8904.

PARCEL 3 - 333 Main Street

ALL THAT TRACT OR PARCEL OF LAND situate in the town and village of Otego, in the County of Otsego and State of New York, bounded and described as follows:

BEGINNING at the Southerly corner of what was formerly the house lot of Berous Cook, now deceased, and is now the Southerly corner of Charles H. Broadfoot's house lot, on Main Street in said village; thence Northerly along the Westerly line of said Broadfoot's lot to the Old School Baptist Church lot; thence Westerly along the Southerly line of said Church lot four rods and ten feet (4 rds. and 10 ft.) to a point in the said line of said Church lot; thence Southerly a straight line to a point on Main Street four rods and fifteen feet (4 rds. and 15 ft.) from the place of beginning; from thence Easterly four rods and fifteen feet (4 rds. and 15 ft.) to the Southerly corner of said Broadfoot's lot, the place of beginning, be the same more or less.

PARCEL 4 - 10 Cook Street

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Worcester, County of Otsego and State of New York, bounded and described as follows: Beginning at an iron pin driven in the ground at the intersection of the North line of Maple Street, in the Village and Town of Worcester, N.Y. and the East line of Cook Street; said point also being the South West corner of the property of Mary E. Herrick; thence easterly 218' at an interior angle of 85 degrees 30 mins. to an iron pin driven in the ground, at the North West corner of the property of Charles Fredenburgh; thence southerly along the West line of the Fredenburgh property 109 feet and 8 inches at an interior angle of 92 degrees 50 mins. to an iron pin driven in the ground at the North East corner of the Cook property thence westerly 214' 8 inches at an interior angle of 87 degrees 10 mins. along the North line of the Cook property to an iron pin driven in the ground at the East line of Cook Street; thence northerly 110' along the East line of Cook Street at an interior angle of 94 degrees 30 mins. to the point of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND SITUATE AND LYING in the Town of Worcester, County of Otsego, State of New York being generally described as follows:

Commencing at an iron stake driven in the ground on this date on the northerly side of property owned by party of the first part, at a point where it adjoins the property owned by Donald Hall; property of the party of the first part, and property of the party of the second part; and running thence easterly a distance of approximately sixty-five (65) feet across the property owned by the



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

party of the first part; thence running northerly a distance of one hundred (100) feet approximately, along the division line of the property of the party of the first part and property owned by Mrs. Jennie Peters; thence running westerly a distance of approximately sixty-five (65) feet along the Division line of the property of the party of the first part and property owned by Richard Weidman; thence running approximately one-hundred (100) feet southerly along the Division line of the property of the party of the first part and the property of the party of the second part to the place of beginning.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

EXHIBIT B

All furniture, fixtures, machinery, equipment and other items of personal property and all appurtenances now or thereafter attached to, contained in or used in connection with the Series 2012A Mortgaged Property or the Series 2012A Project Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

2014185582



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03/28/2014 10:57:18 AM  
8 Pages  
UCC RP

FILED  
Kathy Sinnott Gardner, Otsego County Clerk

Clerk:LB

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
Jean S. Everett, Esq. (610-868-1869)

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

Kathleen McGinn  
Hiscock & Barclay, LLP  
80 State Street  
Albany, NY 12207

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

**2c. MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY  
2705 State Highway 28 Oneonta NY 13820 USA

14. BEEN INSTRUCTIONS ADDL. INFO RE ORGANIZATION DEBTOR 15. TYPE OF ORGANIZATION 16. JURISDICTION OF ORGANIZATION 19. ORGANIZATIONAL ID #, if any  
Not Applicable Corporation New York State NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

**2c. MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY

24. BEEN INSTRUCTIONS ADDL. INFO RE ORGANIZATION DEBTOR 25. TYPE OF ORGANIZATION 26. JURISDICTION OF ORGANIZATION 29. ORGANIZATIONAL ID #, if any  
Not Applicable NONE

**3. SECURED PARTY'S NAME (or NAME or TOTAL ASSIGNEE of ASSIGNOR MP) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

**3c. MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY  
250 South Clinton Street Syracuse NY 13202 USA

4. This FINANCING STATEMENT covers the following collateral:

All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Second Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 25, 2014 by the debtor in favor of the secured party.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOER SELLER/BUYER AG. LIEN NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
Springbrook 2014 Mtg (County) 3029501

FILING OFFICE COPY - UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

CCA Item # 2

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any  NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

13. The FINANCING STATEMENT covers  similar to be cut of  as-extracted collateral, or is filed as a  future filing.

14. Description of real estate:  
Exhibit A attached hereto

15. Additional collateral description:  
See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

17. Check only if applicable and check only one box.  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "*Debtor*"), has given a Second Mortgage, Assignment of Leases and Rents and Security Agreement dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Second Mortgage*"), in favor of RBS Citizens, N.A. (the "*Bank*") as security for the payment of all sums due under a Promissory Note dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Note*"), from the Debtor to the Bank and a Loan Agreement dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Loan Agreement*"), between the Debtor and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Loan Agreement.

Pursuant to the Second Mortgage, the Debtor granted to the Bank a security interest in, and pledged and assigned to the Bank all of the estate, right, title and interest of the Debtor in, to and under any and all of the following described property (the "*Mortgaged Property*"), whether now owned or held or thereafter acquired, to secure the payment and performance in full of the Obligations of the Debtor:

(a) (i) the fee interest in the real property more particularly described in Exhibit A attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Debtor in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the facilities of the Debtor financed and/or refinanced with proceeds of the Note;

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Mortgaged Property or now or thereafter transferred to the Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above now or thereafter entered into and the right to receive and apply the rents, license fees, issues and profits of the Mortgaged Property or the

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

other real property described above to the payment of the Mortgage Indebtedness, *provided, however,* that so long as there exists no Event of Default (as defined in the Mortgage) under the Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Debtor shall have a revocable license to collect and receive rents, license fees, issues and profits and to retain, use and enjoy such rents, license fees, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Debtor's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(f) all right, title and interest of the Debtor in and to all contracts from time to time executed by the Debtor or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

EXHIBIT A

All that certain piece, parcel or tract of land situate and lying in the Town of Milford, County of Otsego and State of New York and being a portion of Otsego County Tax Map Department Parcel Number 242-1-21.01, all of 242-1-21.02 and 242-1-22 and being bounded and described as follows:

Beginning at a point on the northerly bounds of New York State Route Number 28 at the centerline intersection with Otsego County Route Number 44 and said point being the southeast corner of the herein described parcel; Thence along the northerly bounds of New York State Route Number 28 the following three (3) courses and distances:

- 1). South 78° 10' 28" West, 100.57 feet to a point;
- 2). South 81° 55' 55" West, 83.00 feet to a point;
- 3). South 68° 06' 56" West, 305.00 feet to a point; Thence along the

lands being possessed by Springbrook N.Y., Inc. with title being with John S. and Jean Lamb their heirs and or assigns the following three (3) courses and distances:

- 1). North 23° 12' 03" West, 181.53 feet to a point;
- 2). South 72° 36' 35" West, 68.20 feet to a point;
- 3). South 23° 12' 03" East, 186.55 feet to a point on the northerly

bounds of New York State Route Number 28; Thence along the northerly bounds of New York State Route Number 28, South 68° 23' 15" West, 153.13 feet to a highway monument found; Thence along the northerly bounds of the lands of Mark J. and Kathy Cox per Liber 932 at Page 9, North 56° 11' 39" West, 569.12 feet to a 5/8" steel rod and KMS cap, set, Thence along the northerly bounds of the lands of Ellen Dutcher per Liber 745 at Page 758 the following two (2) courses and distances:

1). North 28° 18' 21" East, 66.06 feet to a 5/8" steel rod with Lawson cap found;

2). North 61° 41' 40" West, 1524.45 feet to a 5/8" steel rod with Lawson cap found; Thence along the bounds of the lands of Grace L. McNeill and Julius A. Lucia, Jr. per Liber 1090 at Page 467 and the bounds of the lands of aforementioned Dutcher, North 14° 09' 30" East, 1471.80 feet to a 5/8" steel rod found; Thence along the southerly then easterly bounds of other lands of Springbrook N.Y., Inc being Tax Map Number 242-1-54 and a portion of Instrument Number 2010-2264 (portion of Parcel II), the following three (3) courses and distances:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

- 1). South 75° 42' 35" East, 1169.03 feet to a 5/8" steel rod and KMS cap, set,
- 2). North 34° 21' 53" East, 620.77 feet to a 5/8" steel rod and KMS cap, set,
- 3). North 04° 40' 04" West, 282.84 feet to a 1/2" steel rod found;  
Thence along the southerly bounds of the lands of Kyle and Danielle Greiner per Liber 1066 at Page 139, South 89° 05' 17" East, 77.76 feet to a 1 1/4" iron pipe found at the base of a cherry tree; Thence along the southerly bounds of the lands of Donald A. and Mary E. Knapp per Liber 714 at Page 309 the following two (2) courses and distances:
  - 1). South 58° 11' 53" East, 48.34 feet to a 1/2" iron pipe found;
  - 2). North 84° 19' 01" East, 123.99 feet to a point in the centerline of Otsego County Route Number 44, said point being North 84° 19' 01" East, 18.99 feet from a 1/2" iron pipe found; Thence along the centerline of Otsego County Route Number 44 the following five (5) courses and distances:
    - 1). South 08° 33' 58" East, 212.21 feet to a point;
    - 2). Along a curve to the left having a radius of 1450.00 feet, a central angle of 09° 04' 42" and a length of curve of 229.75 feet to a point;
    - 3). South 17° 42' 12" East, 275.03 feet to a point;
    - 4). Along a curve to the right having a radius of 2500.00, a central angle of 03° 17' 47" and a length of curve of 143.84 feet to a point;
    - 5). South 14° 24' 25" East, 150.83 feet to a point at the northeast corner of the lands of Richard N. Atwell per Liber 2012 at Page 571; Thence along the northerly bounds of the lands of Atwell, North 76° 36' 00" West, 481.68 feet to a 1/2" steel rod found; Thence continuing along the westerly bounds of the lands of Atwell and the westerly bounds then southerly bounds of the lands of Kimberly A. Miller per Instrument Number 2012-571 the following two (2) courses and distances:
      - 1). South 14° 21' 47" West, 622.41 feet to a 1/2" steel rod found;
      - 2). South 75° 18' 23" East, 802.40 feet to a point in centerline of Otsego County Route Number 44, said point being South 75° 18' 23" East, 27.15 feet from a 1/2" steel rod found; Thence along the centerline of Otsego County Route Number 44 the following seven (7) courses and distances:
        - 1). South 09° 55' 42" East, 122.58 feet to a point;
        - 2). Along a curve to the right having a radius of 100.00 feet, a central angle of 02° 20' 23" and a length of curve of 4.08 feet to a point;



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

3). Along a curve to the right with a radial bearing of South 82° 24' 41" West, a radius of 2500.00 feet, a central angle of 12° 17' 08" and a length of curve of 536.06 feet to a point;

4). Along a curve to the right with a radial bearing of North 85° 18' 11" West, a radius of 100.00 feet, a central angle of 05° 08' 04" and a length of curve of 8.96 feet to a point;

5). South 09° 49' 53" West, 174.62 feet to a point;

6). Along a curve to the left having a radius of 900.00 feet, a central angle of 10° 28' 41" and a length of curve of 164.59 feet to a point;

7). South 00° 38' 48" East, 109.86 feet to the point and place of beginning.

Containing 96.86 acres of land.

Bearings are with reference to Grid North

Subject to any rights of way, easements and/or ownership which may have been granted to utility companies.

Subject to the rights of the public in and to the use of Otsego County Route 44 included in the above described parcel.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND  
RENTS AND SECURITY AGREEMENT

**EXHIBIT B**

All articles of personal property and all appurtenances, financed with the Loan and now or thereafter attached to, contained in or used in connection with the Mortgaged Property or the Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

**UCC FINANCING STATEMENT AMENDMENT**


FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
**JULIE THROPP 716-376-7178**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**COMMUNITY BANK, N.A.  
 PO BOX 628  
 OLEAN, NY 14760**

2016200556



**2016-1106**  
 08/12/2016 10:10:13 AM  
 3 Pages  
 UCC RP CONTINUATION

FILED  
 Kathy Sinnott Gardner, Otsego County Clerk Clerk:JB

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #  
**00500375 11/13/2006 OTSEGO COUNTY**

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the  REAL ESTATE RECORDS

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME:  
**SPRINGBROOK NY, INC.**

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
 Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
**COMMUNITY BANK, N.A., SBM WILBER NATIONAL BANK**

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA  
**0001034421**

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

Original UCC at Instrument # 2005-375 and  
 Continuations at Instrument # 2010-230; 2010-231  
 and 2011-369 annexed.

CCA Item # 3

**UCC FINANCING STATEMENT AMENDMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as Item 1a on Amendment form)

00500375 11/13/2006 OTSEGO COUNTY

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as Item 9 on Amendment form)

12a. ORGANIZATION'S NAME

COMMUNITY BANK, N.A., SBM WILBER NATIONAL BANK

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

REAL ESTATE:  
135 STONE QUARRY ROAD  
MIDDLEFIELD, NY

TAX MAP NO: 179.00-1-34.04

## SCHEDULE A

The Collateral shall consist of all of the following described property and Debtor's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by Debtor and wheresoever located:

All of Debtor's interest in all rents, profits and leases covering the premises described as 135 Stone Quarry Road, Town of Middlefield, Otsego County, New York, Tax Map No. 179.00-1-34.04.

All chattel paper, documents, equipment, fixtures including but not limited to, the fixtures located or to be located on the real property described above; accounts receivables, general intangibles, machinery and furnishings, furniture, and other tangible personal property owned by the Debtor, whether fixture or not, and all attachments thereto and substitutions therefor.

All monies or instruments pertaining to the Collateral described above; All accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above; All proceeds and products of any of the above; All policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies; and all books and records pertaining to any of the above.

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034421  
10:31:56  
08109854

FILED Nov 13, 2006  
AT 01:49:47P  
OTSEGO COUNTY CLERK

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
Lillian L. Levy, Esq. (607) 723-5341

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

Wilber National Bank  
245 Main Street  
Oneonta, New York 13820

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
Springbrook NY, Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
2705 State Highway 28 Oneonta NY 13820 USA

1d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 1a. TYPE OF ORGANIZATION 1b. JURISDICTION OF ORGANIZATION 1c. ORGANIZATIONAL ID #, if any  NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 2a. TYPE OF ORGANIZATION 2b. JURISDICTION OF ORGANIZATION 2c. ORGANIZATIONAL ID #, if any  NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNOR of AS SIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
Wilber National Bank

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
245 Main Street Oneonta NY 13820 USA

4. This FINANCING STATEMENT covers the following collateral:

SEE SCHEDULE A ATTACHED.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSOR/LESSOR	CONSIGNEE/CONSIGNOR	BAILEY/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS of (check one):	All Debtors		Debtor 1	Debtor 2		
7. Check to REQUEST SEARCH REPORT(S) on Debtor(s):						
8. OPTIONAL FILER REFERENCE DATA						

00500375

**UCC FINANCING STATEMENT ADDENDUM**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

1a. ORGANIZATION'S NAME  
 OR Springbrook NY, Inc.

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only org name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. REINSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any  NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - Insert only org name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers  Member to be cut or  as-abstracted collateral, or is filed as a  future filing.

14. Description of real estate:

135 Stone Quarry Road  
 Middlefield, New York

Tax Map No. 179.00-1-34.04

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.  
 Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

00500375

### SCHEDULE A

The Collateral shall consist of all of the following described property and Debtor's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by Debtor and wheresoever located:

All of Debtor's interest in all rents, profits and leases covering the premises described as 135 Stone Quarry Road, Town of Middlefield, Otsego County, New York, Tax Map No. 179.00-1-34.04.

All chattel paper, documents, equipment, fixtures including but not limited to, the fixtures located or to be located on the real property described above; accounts receivables, general intangibles, machinery and furnishings, furniture, and other tangible personal property owned by the Debtor, whether fixture or not, and all attachments thereto and substitutions therefor.

All monies or instruments pertaining to the Collateral described above; All accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above; All proceeds and products of any of the above; All policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies; and all books and records pertaining to any of the above.





2010-230  
09/28/2010 12:35:00 PM  
9 Pages  
UCC RP

FILED  
Kathy Sinnott Gendner, Otsego County Clerk

Clerk/MS

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

Jean S. Everett, Esq.

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Hiscock & Barclay, LLP  
The Evening Star Building, 5th Floor  
1101 Pennsylvania Avenue, NW  
Washington, DC 20004-2544

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME			
SPRINGBROOK NY, INC.			
OR	1b. INDIVIDUAL'S LAST NAME		SUFFIX
1c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
2705 State Highway 28		Oneonta	NY 13826 USA
14. ARE INSTRUCTIONS	ADDL. INFO RE ORGANIZATION DEBTOR	1a. TYPE OF ORGANIZATION	1c. JURISDICTION OF ORGANIZATION
Not Applicable		not-for-profit	New York State
1d. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME			
OR	2b. INDIVIDUAL'S LAST NAME		SUFFIX
2c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
2d. ARE INSTRUCTIONS		ADDL. INFO RE ORGANIZATION DEBTOR	2a. TYPE OF ORGANIZATION
Not Applicable			
2e. JURISDICTION OF ORGANIZATION			
2f. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR SP) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME			
RBS CITIZENS, N.A.			
OR	3b. INDIVIDUAL'S LAST NAME		SUFFIX
3c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
833 Broadway		Albany	NY 12207 USA

4. THIS FINANCING STATEMENT covers the following collateral:

All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Building Loan Mortgage and Security Agreement dated as of September 1, 2010 by the debtor in favor of the secured party.

5. ALTERNATIVE DESIGNATION (if applicable)	LESSOR/LESSOR	CONSIGNEE/CONSIGNOR	SALE/BALOR	BELLER/BUYER	AG. LIEN	HOH-UCC FILING
6. THIS FINANCING STATEMENT IS:	1. For Sale (or record) (or recorded in the REG. ESTATE RECORDS - Attach Addendum)	2. For Lease (or record) (or recorded in the REG. ESTATE RECORDS - Attach Addendum)	3. Check to REQUEST SEARCH REPORT (S) on Debtor(s) (optional)	All Debtors	Debtor 1	Debtor 2

Springbrook - Building Loan/Mortgage

**UCC FINANCING STATEMENT ADDENDUM**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME** - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME      SUFFIX

11c. MAILING ADDRESS      CITY      STATE      POSTAL CODE      COUNTRY

11d. RECEIVING INSTRUCTIONS      ADDL INFO RE ORGANIZATION DEBTOR      11e. TYPE OF ORGANIZATION      11f. JURISDICTION OF ORGANIZATION      11g. ORGANIZATIONAL ID #, if any       NONE

**12. ADDITIONAL SECURED PARTYS or ASSIGNOR S/P'S NAME** - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME      SUFFIX

12c. MAILING ADDRESS      CITY      STATE      POSTAL CODE      COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-abstracted  (timber), or is filed as a  future filing.

14. Description of real estate:  
**2705 State Route 28 Town of Milford, County of Otsego, New York.**

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.  
 Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Debtor") has given a Building Loan Mortgage and Security Agreement dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Mortgage and Security Agreement") in favor of RBS Citizens, N.A. (the "Bank") and Otsego County Capital Resource Corporation (the "Issuer") as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement dated September 1, 2010 between the Debtor and the Bank and Loan Agreement dated September 1, 2010 between the Debtor and the Issuer. Pursuant to an Assignment of Mortgage dated as of September 1, 2010, the Issuer assigned all its right, title and interest in and to the Mortgage and Security Agreement to the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Mortgage and Security Agreement.

Pursuant to the Mortgage and Security Agreement, the Debtor granted to the Bank and the Issuer a security interest in, and pledged and assigned to the Bank and the Issuer the following properties, assets and rights of the Debtor, to secure the payment and performance in full of the Obligations of the Debtor:

(a) the fee simple interest in the real property more particularly described in Exhibit "A" attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Debtor in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the Project Facility;

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Mortgaged Property or now or thereafter transferred to the Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above now or thereafter entered into and the right to

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Debtor shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Debtor's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Bond Purchase Agreement;

(f) all right, title and interest of the Debtor in and to all contracts from time to time executed by the Debtor or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

EXHIBIT A

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010-2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010-2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing 77.3265 acres.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY  
AGREEMENT

**EXHIBIT B**

All articles of personal property and all appurtenances, financed with proceeds of the Bonds and now or thereafter attached to, contained in or used in connection with the Mortgaged Property or the Project Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

2010113110



2010-231

09/28/2010 12:35:00 PM

1 Pages

UCC RP CONTINUATION

FILED  
Kathy Sinnott Gardner, Otsego County Clerk

Clerk/MS

## UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Bond, Schoeneck & King, PLLC  
111 Washington Avenue  
Albany, NY 12210-2211  
Attn: Sarah Lewis Belcher, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE#

00500375 filed with the Otsego County Clerk on November 13, 2008

1b. THIS FINANCING STATEMENT AMENDMENT IS

 TO BE FILED (FOR RECORD) IN THE  
REAL ESTATE RECORDS
2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by 900.04(b) law.4.  ASSIGNMENT (All or partial): Give name of assignee in Item 7a or 7b and address of assignee in Item 7c; and also give name of assignor in Item 8.5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
Also check one of the following three boxes and provide appropriate information in Item 6 and/or 7.
 CHANGE name and/or address: Please refer to the date(s) of institution  DELETE name: Give record name  ADD name: Complete Item 7a or 7b, and also Item 7c;  ADD name: Complete Item 7a or 7b, and also Item 7c;  ADD name: Complete Item 7a or 7b, and also Item 7c;  ADD name: Complete Item 7a or 7b, and also Item 7c;

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

SPRINGBROOK NY INC

OR 6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

7d. REFERRENCES

ADD INFO RE: ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any

 NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  revised collateral description, or describe collateral  assigned.

All furniture, fixtures and equipment located at 135 Stone Quarry Road, Town of Middlefield, Otsego County, New York, Tax Map No. 179.00-1-34.04 ("Premises"), together with all of Debtor's interest in all rents, profits and fees from the Premises.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment; if this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.)

9a. ORGANIZATION'S NAME

Wilber National Bank

OR 9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Springbrook NY, Inc.



2011133853



2011-369  
10/06/2011 10:46:52 AM  
2 Pages  
UCC RP CONTINUATION

FILED  
Kathy Sirotni Gardner, Otsego County Clerk

Clerk:JB

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
**KAVERI MUKERJEE**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**COMMUNITY BANK, NA**  
**PO BOX 628**  
**OLEAN, NY 14760**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #  
**00500375; 11-13-06; OTSEGO CTY**

1b. THIS FINANCING STATEMENT AMENDMENT IS TO BE FILED (for record) (for recording) IN THE  
 REAL ESTATE RECORDS

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 6.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in respect to changing the name/address of a party.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, plus complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC**

OR  
6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR  
7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADDL. INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one here. Describe collateral  deleted or  added, or give entire  restricted collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment. If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

6a. ORGANIZATION'S NAME  
**COMMUNITY BANK NA FKA WILBER NATIONAL BANK**

OR  
6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA  
**COMM 1034421 & 1034561**

**UCC FINANCING STATEMENT AMENDMENT ADDENDUM**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)		
00500375; 11-13-06; OTSEGO CTY		
12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (Name as item 2 on Amendment form)		
12a. ORGANIZATION'S NAME		
COMMUNITY BANK, NA FKA WILBER NATIONAL BANK		
OR		
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

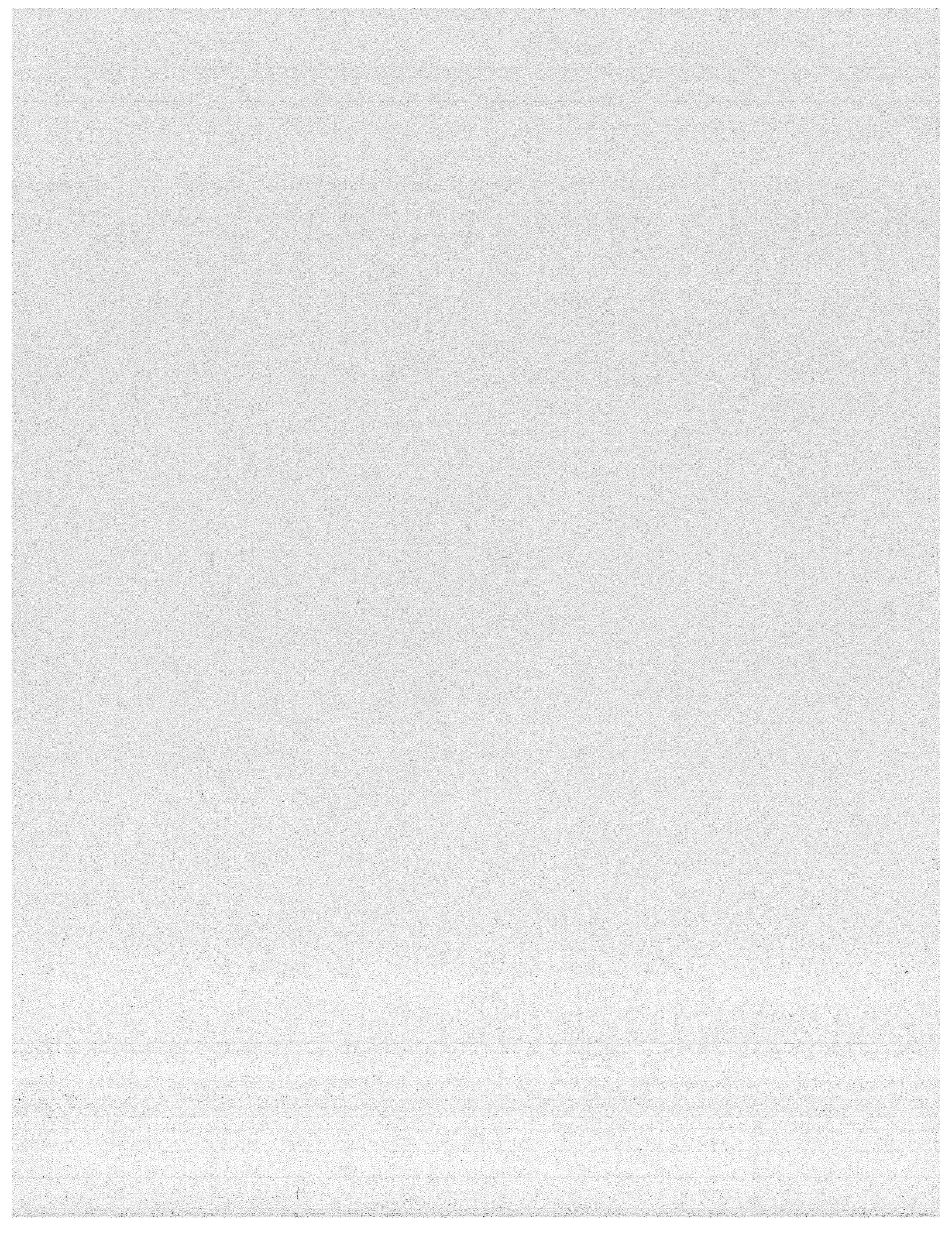
13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**REAL ESTATE RECORD:**

135 STONE QUARRY ROAD  
MIDDLEFIELD, NY

TAX MAP# 179.00-1-34.04





STATE OF NEW YORK  
DEPARTMENT OF STATE  
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE  
ALBANY, NY 12231-0001

ANDREW M. CUOMO  
GOVERNOR

ROSSANA ROSADO  
SECRETARY OF STATE

**INFORMATION REQUEST RESPONSE**

March 16, 2017

**RETURN TO CUSTOMER SERVICE COUNTER**

BOND, SCHOENECK & KING, PLLC  
ATTN: AMY L. LABARGE  
ONE LINCOLN CENTER  
SYRACUSE NY 13202-0000

Name of Organization Searched:

UPSTATE HOME FOR CHILDREN FOUNDATION, INC.

File No.  
201010040540703

File Date  
10/04/2010

The undersigned hereby certifies that the above listing is a record of all Financing Statements or any Federal Tax Liens, which have not lapsed, which name the above debtor and which are on file as of 3/8/2017, 11:59 PM. However, search results may reflect documents filed after this date.

The attached pages are true and exact copies of the first page of the financing statements as mentioned above and true and exact copies of the first page of assignments and secondary filings hereto.

Please note that the Uniform Commercial Code Filing Database, including images of filings may be searched for variations of the Debtor's name and copies of records may be downloaded at the Department's website [www.dos.ny.gov](http://www.dos.ny.gov).

Our Customer Service Representatives may be reached at (518) 473-2492.

Sincerely,

Brendan W. Fitzgerald  
Executive Deputy Secretary of State

Ref #: 205342



032680

2010 OCT -4 AM 9:00

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER [optional]**  
**Jean S. Everett, Esq.**

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

**Hiscock & Barclay, LLP**  
**The Evening Star Building, 5th Floor**  
**1101 Pennsylvania Avenue, NW**  
**Washington, DC 20004-2544**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

**1a. ORGANIZATION'S NAME**  
**UPSTATE HOME FOR CHILDREN FOUNDATION, INC.**

OR

**1b. INDIVIDUAL'S LAST NAME**      **FIRST NAME**      **MIDDLE NAME**      **SUFFIX**

**1c. MAILING ADDRESS**      **CITY**      **STATE**      **POSTAL CODE**      **COUNTRY**

**2705 State Highway 28**      **Oneonta**      **NY**      **13820-9753**      **USA**

**1d. SEE INSTRUCTIONS**      **ADD'L INFO RE ORGANIZATION DEBTOR**      **1e. TYPE OF ORGANIZATION**      **1f. JURISDICTION OF ORGANIZATION**      **1g. ORGANIZATIONAL ID #, if any**

**Not Applicable**           **not-for-profit**      **New York State**            **NONE**

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

**2a. ORGANIZATION'S NAME**

OR

**2b. INDIVIDUAL'S LAST NAME**      **FIRST NAME**      **MIDDLE NAME**      **SUFFIX**

**2c. MAILING ADDRESS**      **CITY**      **STATE**      **POSTAL CODE**      **COUNTRY**

**2d. SEE INSTRUCTIONS**      **ADD'L INFO RE ORGANIZATION DEBTOR**      **2e. TYPE OF ORGANIZATION**      **2f. JURISDICTION OF ORGANIZATION**      **2g. ORGANIZATIONAL ID #, if any**

**Not Applicable**                                     **NONE**

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

**3a. ORGANIZATION'S NAME**  
**RBS CITIZENS, N.A.**

OR

**3b. INDIVIDUAL'S LAST NAME**      **FIRST NAME**      **MIDDLE NAME**      **SUFFIX**

**3c. MAILING ADDRESS**      **CITY**      **STATE**      **POSTAL CODE**      **COUNTRY**

**833 Broadway**      **Albany**      **NY**      **12207**      **USA**

**4. This FINANCING STATEMENT covers the following collateral:**

**All right, title and interest of the debtor in the personal property described in Schedule A attached hereto and made a part hereof granted pursuant to a Security Agreement dated as of September 1, 2010 by the debtor in favor of the secured party.**

**5. ALTERNATIVE DESIGNATION (if applicable):**       LESSEE/LESSOR       CONSIGNEE/CONSIGNOR       BAILEE/BAILOR       SELLER/BUYER       AG. LIEN       NON-UCC FILING

**6.**  This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)      **7.** Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)       All Debtors       Debtor 1       Debtor 2

**8. OPTIONAL FILER REFERENCE DATA**

**UPSTATE HOME FOR CHILDREN FOUNDATION, INC. - Security Agt.**

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

**FILING NUMBER: 201010040540703**

**UCC FINANCING STATEMENT ADDENDUM**

032680

2010 OCT -4 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME		
UPSTATE HOME FOR CHILDREN FOUNDATION, INC.		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only ONE name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME
		MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE
		POSTAL CODE	COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
-----------------------------------	---------------------------	-----------------------------------

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only ONE name (12a or 12b)**

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME		FIRST NAME
		MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE
		POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years



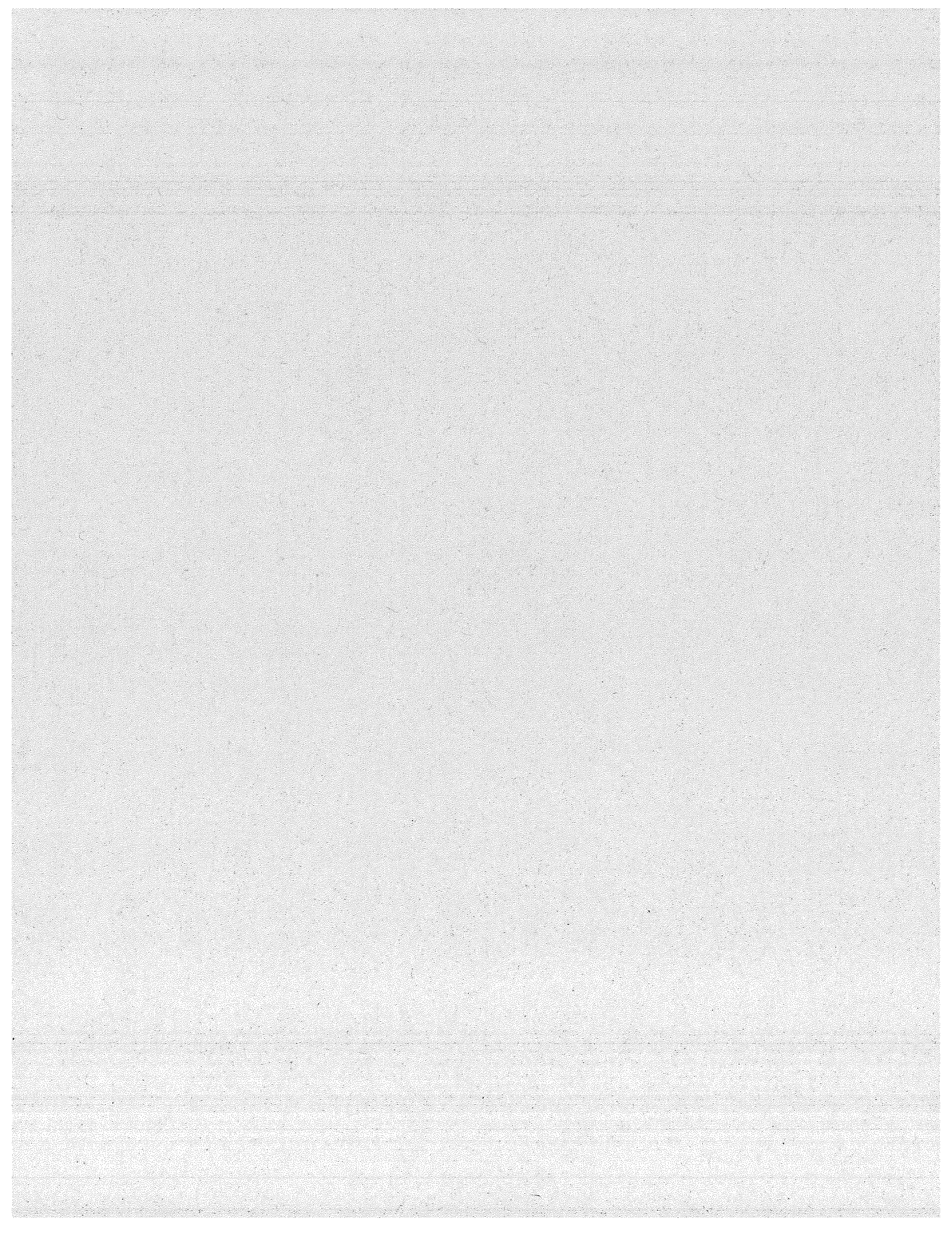
SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM UPSTATE HOME FOR CHILDREN FOUNDATION, INC. TO RBS  
CITIZENS, N.A.  
RELATING TO THE SECURITY AGREEMENT

2010 OCT -4 AM 9:00

UPSTATE HOME FOR CHILDREN FOUNDATION, INC., a not-for-profit corporation (the "Debtor") has entered into a Security Agreement dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Security Agreement") in favor of RBS Citizens, N.A. (the "Bank") as security for the payment and performance by the Debtor of a certain Guaranty dated September 1, 2010 given to the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Debtor granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Debtor, to secure the payment and performance in full of the Obligations of the Debtor:

All gifts, grants, donations and contributions, however denominated, issues, profits, revenues, income, receipts, moneys and royalties derived from the Capital Campaign and also including investment income on all funds and accounts (including reserve funds) held by the Bank or the Trustee, including funds maintained thereunder, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Debtor and the proceeds thereof, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Debtor, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Debtor subject to restrictions on its use which restrictions do not permit application to or in connection with the Project Facility, or (ii) any income derived from the investment of any such contribution, grant or gift; and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Deposit Accounts, (d) Documents, (e) General Intangibles (including payment intangibles), (f) Instruments (including promissory notes), (g) Investment Property (including all securities), (h) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (i) Money (including contract rights or rights to the payment of money), (j) Supporting Obligations, and (k) to the extent related to the Capital Campaign and not listed above as original Collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the "Collateral").





STATE OF NEW YORK  
 DEPARTMENT OF STATE  
 ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE  
 ALBANY, NY 12231-0001

ANDREW M. CUOMO  
 GOVERNOR

ROSSANA ROSADO  
 SECRETARY OF STATE

**INFORMATION REQUEST RESPONSE**

March 16, 2017

**RETURN TO CUSTOMER SERVICE COUNTER**

BOND, SCHOENECK & KING, PLLC  
 ATTN: AMY L. LABARGE  
 ONE LINCOLN CENTER  
 SYRACUSE NY 13202-0000

Name of Organization Searched:  
 SPRINGBROOK NY, INC.

<u>File No.</u>	<u>File Date</u>
200611100898340	11/10/2006
201006020294935	06/02/2010
201010040540652	10/04/2010
201010040540676	10/04/2010
201010040540690	10/04/2010

(See attached for additional filings.)

The undersigned hereby certifies that the above listing is a record of all Financing Statements or any Federal Tax Liens, which have not lapsed, which name the above debtor and which are on file as of 3/8/2017, 11:59 PM. However, search results may reflect documents filed after this date.

The attached pages are true and exact copies of the first page of the financing statements as mentioned above and true and exact copies of the first page of assignments and secondary filings hereto.

Please note that the Uniform Commercial Code Filing Database, including images of filings may be searched for variations of the Debtor's name and copies of records may be downloaded at the Department's website [www.dos.ny.gov](http://www.dos.ny.gov).

Our Customer Service Representatives may be reached at (518) 473-2492.

Sincerely,

Brendan W. Fitzgerald  
 Executive Deputy Secretary of State

Ref #: 205341 28

<u>File No.</u>	<u>File Date</u>
201012140675816	12/14/2010
201110120541742	10/12/2011
201110120541766	10/12/2011
201204165438149	04/16/2012
201207260422263	07/26/2012
201307025719562	07/02/2013
201307178291900	07/17/2013
201311156209138	11/15/2013
201312090681523	12/09/2013
201403310169298	03/31/2014
201403315320269	03/31/2014
201406135628524	06/13/2014
201407095727818	07/09/2014
201411050622761	11/05/2014
201412156316040	12/15/2014
201510158395969	10/15/2015

1034421

304083

2006 NOV 10 PM 3:30  
10344541  
nys

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
**Lillian L. Levy, Esq. (607) 723-5341**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Wilber National Bank  
 245 Main Street  
 Oneonta, New York 13820

DRAW DOWN ACCT IN

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME  
**Springbrook NY, Inc.**

OR 1b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

**2705 State Highway 28 Oneonta NY 13820 USA**

ADDL INFO RE ORGANIZATION DEBTOR 1e TYPE OF ORGANIZATION 1f JURISDICTION OF ORGANIZATION  
**CORPORATION NEW YORK**

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME

OR 2b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

ADDL INFO RE ORGANIZATION DEBTOR 2e TYPE OF ORGANIZATION 2f JURISDICTION OF ORGANIZATION

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR/S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME  
**Wilber National Bank**

OR 3b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

**245 Main Street Oneonta NY 13820 USA**

4. THIS FINANCING STATEMENT covers the following collateral:

SEE SCHEDULE A ATTACHED.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BALOR SELLER/BUYER AG LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or record) (if recorded) in the REAL ESTATE RECORDS - Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

304083

2006 NOV 10 PM 3:30

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

8. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
Springbrook NY, Inc.		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10 MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR					
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
ADDITIONAL INFO RE ORGANIZATION DEBTOR		11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION		

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR					
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  future filing.

14. Description of real estate

135 Stone Quarry Road  
Middlefield, New York

Tax Map No. 179.00-1-34.04

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box  
 Debtor is TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction - effective 30 years  
 Filed in connection with a Public-Finance Transaction - effective 30 years

304083

2006 NOV 10 PM 3: 30

## SCHEDULE A

The Collateral shall consist of all of the following described property and Debtor's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by Debtor and wheresoever located:

All of Debtor's interest in all rents, profits and leases covering the premises described as 135 Stone Quarry Road, Town of Middlefield, Otsego County, New York, Tax Map No. 179.00-1-34.04.

All chattel paper, documents, equipment, fixtures including but not limited to, the fixtures located or to be located on the real property described above; accounts receivables, general intangibles, machinery and furnishings, furniture, and other tangible personal property owned by the Debtor, whether fixture or not, and all attachments thereto and substitutions therefor.

All monies or instruments pertaining to the Collateral described above; All accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above; All proceeds and products of any of the above; All policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies; and all books and records pertaining to any of the above.

218869

2010 SEP 27 PM 3:38

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Bond, Schoeneck & King, PLLC  
 111 Washington Avenue  
 Albany, NY 12210-2211  
 Attn: Sarah Lewis Belcher, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE#  
 200611100898340 filed with the NY Secretary of State on November 10, 2006

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor  Secured Party of record. Check only one of these two boxes.  
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, as applicable (items 7a-7c if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

All furniture, fixtures and equipment located at 135 Stone Quarry Road, Town of Middlefield, Otsego County, New York, Tax Map No. 179.00-1-34.04 ("Premises"), together with all of Debtor's interest in all rents, profits and leases from the Premises.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
 Wilber National Bank

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Springbrook NY, Inc.

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

FILING NUMBER: 201009270523702



799800

2011 Sep 14 AM10:00

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional) Gisella Melendez 800-331-3282
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <input type="checkbox"/> CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071, USA efiling@wolterskluwer.com (Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 200611100898340 Filedate: 10-NOV-06

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. 2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment), if this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME COMMUNITY BANK, N.A. FKA WILBER NATIONAL BANK				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA NY-0-29815928-45879327

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

**Filing Number-201109145995143**

832466

2016 Nov 09 AM08:32

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 200611100898340 Filedate: 10-NOV-06

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME WILBER NATIONAL BANK

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA NY-0-56413875-52393622

**UCC FINANCING STATEMENT**

017919

2010 JUN -2 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Wilber National Bank  
245 Main St  
Oneonta NY 13820

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**Springbrook NY, Inc.**

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

2705 State Highway 28

CITY: **Oneonta**

STATE: **NY**

POSTAL CODE: **13820**

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>Corp</b>	1f. JURISDICTION OF ORGANIZATION <b>NY</b>
-----------------------------------	---	---

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
-----------------------------------	--------------------------	----------------------------------

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**Wilber National Bank**

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

245 Main St

CITY: **Oneonta**

STATE: **NY**

POSTAL CODE: **13820**

COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

All furniture, fixtures, and equipment located at 61 East St. Oneonta NY 13820 as further described in the attached Schedule A

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA						

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201006020294935

017919

2010 JUN -2 AM 9:00

### UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME

OR **Springbrook NY, Inc.**

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

**10. MISCELLANEOUS:**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID # (if any)

**12. ADDITIONAL SECURED PARTY'S OR ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

**61 East St.  
Oneonta NY 13820  
Tax map # 288.14-2-35.0  
Please see attached Schedule A as well**

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE A

017919

2010 JUN -2 AM 9:00

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Oneonta, County of Otsego and State of New York, being building Lot No. 34 of the Normal School plot of property as shown on a map made and surveyed by O. Harmon, August 15, 1887, for W. E. Yager and others, and said lot No. 34 is bounded as follows: On the North by Lot No. 35 of said plot about 200 feet; on the East by East Street 51 feet; on the South by Lots 30, 31, 32 and 33, of said plot 200 feet; and on the West by Lot No. 25 of said plot 51 feet, and being one of two lots conveyed to Delos Yager by Willard Yager by deed dated March 27, 1888, and recorded in Liber 211 of Deeds at Page 138.

740490

2015 Apr 17 AM11:47

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 201006020294935 Filedate: 02-JUN-10

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME WILBER NATIONAL BANK

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA NY-0-47646610-49790802

Filing Number-201504175403485



032677

2010 OCT -4 AM 9:00

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional) <b>Jean S. Everett, Esq.</b>
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>Hiscock &amp; Barclay, LLP The Evening Star Building, 5th Floor 1101 Pennsylvania Avenue, NW Washington, DC 20004-2544</b>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME <b>SPRINGBROOK NY, INC.</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>2705 State Highway 28</b>			CITY <b>Ononta</b>	STATE <b>NY</b>	POSTAL CODE <b>13820</b>	COUNTRY <b>USA</b>
ADD'L INFO RE ORGANIZATION DEBTOR		1e. TYPE OF ORGANIZATION <b>not for profit</b>	1f. JURISDICTION OF ORGANIZATION <b>New York State</b>			

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
ADD'L INFO RE ORGANIZATION DEBTOR		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR(S)/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME <b>RBS CITIZENS, N.A.</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>833 Broadway</b>			CITY <b>Albany</b>	STATE <b>NY</b>	POSTAL CODE <b>12207</b>	COUNTRY <b>USA</b>

**4. This FINANCING STATEMENT covers the following collateral:**

All Debtor's present and future right, title and interest in and to the following personal property of Debtor, whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time:

- (i) all accounts receivable;
- (ii) supporting obligations; and
- (iii) proceeds and products of the foregoing.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)		All Debtors	Debtor 1	Debtor 2	

**SPRINGBROOK NY, INC. - Security Agt. (Demand Note)**

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

**FILING NUMBER: 201010040540652**

032677

2010 OCT -4 AM 9:00

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR SPRINGBROOK NY, INC.

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR

11a. TYPE OF ORGANIZATION

11i. JURISDICTION OF ORGANIZATION

12. ADDITIONAL SECURED PARTY'S OR ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Institution") and RBS Citizens, N.A. (the "Bank") have entered into a Security Agreement dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Security Agreement") in favor of the Bank as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement dated September 1, 2010 between the Institution and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Institution granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Institution, to secure the payment and performance in full of the Obligations of the Institution:

(a) *Gross Revenues*: All issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and payments, contributions, gifts and grants from the Guarantor received pursuant to the Capital Campaign or otherwise and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Bank or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift; and

(b) all Equipment, inventory located at the Project Facility, articles of personal property and all appurtenances, financed with proceeds of the Bonds and now or hereafter attached to, contained in or used in connection with the Project

Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery, and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above;

wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original Collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the "*Collateral*").

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2010 OCT -4 AM 9: 00

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2010 OCT -4 AM 9:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean S. Everett, Esq.**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP  
The Evening Star Building, 5th Floor  
1101 Pennsylvania Avenue, NW  
Washington, DC 20004-2544**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**2705 State Highway 28 Oneonta NY 13820 USA**

ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION  
**not-for-profit New York State**

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**833 Broadway Albany NY 12207 USA**

4. This FINANCING STATEMENT covers the following collateral:

**All right, title and interest of the debtor in the personal property described in Schedule A attached hereto and made a part hereof granted pursuant to a Collateral Assignment of Contracts dated as of September 1, 2010 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

**OCCRC -Springbrook - Collateral Assign.**

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201010040540676

032678

2010 OCT -4 AM 9:00

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
OR <b>SPRINGBROOK NY, INC.</b>		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
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12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR				
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.  
 Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE COLLATERAL ASSIGNMENT OF CONTRACTS

SPRINGBROOK NY, INC. a New York not-for-profit corporation (the "Debtor") has entered into a Collateral Assignment of Contracts dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Assignment of Contracts") in favor of RBS Citizens, N.A. (the "Bank") as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement ("Reimbursement Agreement") between the Bank and the Debtor dated as of September 1, 2010. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Assignment of Contracts.

Pursuant to the Assignment of Contracts, the Debtor granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Debtor, to secure the payment and performance in full of the Obligations of the Debtor:

- (i) all rights of the Debtor under the Collateral Documents, including, without limitation, (A) any damages arising out of or for breach or default in respect of any of the Collateral Documents, (B) all other amounts from time to time paid or payable to the Debtor under or in connection with the Collateral Documents, and (C) except for change orders permitted without the consent of the Bank under the Reimbursement Agreement, the rights of the Debtor, if any, to amend, modify, supplement or terminate any of the Collateral Documents or to exercise remedies thereunder without having first obtained the written consent of the Bank in each instance
- (ii) all the Debtor's right, title and interest in the Plans and Specifications described in, or prepared pursuant to, the Collateral Documents; and
- (iii) to the extent not otherwise included, all Proceeds of any or all of the foregoing.

The Collateral Documents include:

1. AIA Standard Form of Agreement between the Debtor and Le Chase Construction Services, LLC, dated June 28, 2010, as amended by Amendment No.1 dated as of June 28, 2010, as the same may be modified or amended from time to time.
2. AIA Standard Form of Architect's Agreement, dated October 9, 2008, between the Debtor and SWBR Architects and Engineers, P.C. , as the same may be modified or amended from time to time.

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2010 OCT -4 AM 9:00

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2010 OCT -4 AM 9: 00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean S. Everett, Esq.**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP  
The Evening Star Building, 5th Floor  
1101 Pennsylvania Avenue, NW  
Washington, DC 20004-2544**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR  
1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**2705 State Highway 28 Oneonta NY 13820 USA**

ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>not-for-profit</b>	1f. JURISDICTION OF ORGANIZATION <b>New York State</b>
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2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR  
2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
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3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR  
3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**833 Broadway Albany NY 12207 USA**

4. This FINANCING STATEMENT covers the following collateral:

All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Building Loan Mortgage and Security Agreement dated as of September 1, 2010 by the debtor in favor of the secured party.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	All Debtors		Debtor 1	Debtor 2	

8. OPTIONAL FILER REFERENCE DATA

Springbrook - Building Loan/Mortgage

032679

2010 OCT -4 AM 9: 00

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME			
OR	SPRINGBROOK NY, INC.		
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
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12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
2705 State Route 28 Town of Milford, County of Otsego, New York.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Debtor") has given a Building Loan Mortgage and Security Agreement dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Mortgage and Security Agreement") in favor of RBS Citizens, N.A. (the "Bank") and Otsego County Capital Resource Corporation (the "Issuer") as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement dated September 1, 2010 between the Debtor and the Bank and Loan Agreement dated September 1, 2010 between the Debtor and the Issuer. Pursuant to an Assignment of Mortgage dated as of September 1, 2010, the Issuer assigned all its right, title and interest in and to the Mortgage and Security Agreement to the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Mortgage and Security Agreement.

Pursuant to the Mortgage and Security Agreement, the Debtor granted to the Bank and the Issuer a security interest in, and pledged and assigned to the Bank and the Issuer the following properties, assets and rights of the Debtor, to secure the payment and performance in full of the Obligations of the Debtor:

(a) the fee simple interest in the real property more particularly described in Exhibit "A" attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Debtor in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the Project Facility;

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Mortgaged Property or now or thereafter transferred to the Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above now or thereafter entered into and the right to



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Debtor shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Debtor's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Bond Purchase Agreement;

(f) all right, title and interest of the Debtor in and to all contracts from time to time executed by the Debtor or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

**EXHIBIT A**

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010-2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010-2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

- 1) South 04° 43' 07" East 122.58 feet;
- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing 77.3265 acres.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North 17° 59' 28" West 186.55 feet;
- 2) North 77° 49' 10" East 68.20 feet;
- 3) South 17° 59' 28" East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South 73° 36' 05" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE BUILDING LOAN MORTGAGE AND SECURITY  
AGREEMENT

**EXHIBIT B**

All articles of personal property and all appurtenances, financed with proceeds of the Bonds and now or thereafter attached to, contained in or used in connection with the Mortgaged Property or the Project Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

032679

2010 OCT -4 AM 9:00

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

040711

2010 DEC 14 AM 9:00

**A. NAME & PHONE OF CONTACT AT FILER [optional]**  
**Jean S. Everett, Esq.**

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

**Hiscock & Barclay, LLP**  
**The Evening Star Building, 5th Floor**  
**1101 Pennsylvania Avenue, NW**  
**Washington, DC 20004-2544**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME					
<b>SPRINGBROOK NY, INC.</b>					
OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
<b>2705 State Highway 28</b>		<b>Oneonta</b>	<b>NY</b>	<b>13820</b>	<b>USA</b>
ADD'L INFO RE ORGANIZATION DEBTOR		1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION		
		<b>not-for-profit</b>	<b>New York State</b>		

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
ADD'L INFO RE ORGANIZATION DEBTOR		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION		

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME					
<b>RBS CITIZENS, N.A.</b>					
OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
<b>833 Broadway</b>		<b>Albany</b>	<b>NY</b>	<b>12207</b>	<b>USA</b>

**4. This FINANCING STATEMENT covers the following collateral:**

**All right, title and interest of the debtor in the personal property described in Schedule A attached hereto and made a part hereof granted pursuant to a Security Agreement dated as of September 1, 2010 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION [if applicable]:	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]		ALL Debtors	Debtor 1	Debtor 2	
8. OPTIONAL FILER REFERENCE DATA						

**OCCRC -Springbrook - Security A FILING NUMBER: 201012140675816**

UCC FINANCING STATEMENT ADDENDUM

040711

2019 DEC 14 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR SPRINGBROOK NY, INC.

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A attached hereto.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective 30 years



1

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Institution") and RBS Citizens, N.A. (the "Bank") have entered into a Security Agreement dated as of September 1, 2010 (as amended, modified, restated or supplemented from time to time, the "Security Agreement") in favor of the Bank as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement dated September 1, 2010 between the Institution and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Institution granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Institution, to secure the payment and performance in full of the Obligations of the Institution:

(a) *Gross Revenues*: All issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and payments, contributions, gifts and grants from the Guarantor received pursuant to the Capital Campaign or otherwise and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Bank or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift; and

(b) all Equipment, inventory located at the Project Facility, articles of personal property and all appurtenances, financed with proceeds of the Bonds and now or hereafter attached to, contained in or used in connection with the Project

Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery, and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above;

wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original Collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the "*Collateral*").

040711

2010 DEC 14 AM 9:00

UCC FINANCING STATEMENT AMENDMENT

217760

2012 JUL 26 PM 3:45

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean Everett**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Jean S. Everett  
 3070 Mulrfield Road  
 Center Valley, Pa 18034

DRAWDOWN #3G

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #  
**201012140675816**

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in Item 7a or 7b and address of assignee in Item 7c; and also give name of assignor in Item 8.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in Items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions regarding changing the name/address of a party.  DELETE name: Give record name to be deleted in Item 6a or 6b.  ADD name: Complete Item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

The right, title and interest of the Debtor granted to Secured Party under the Amended and Restated Security Agreement dated as of July 1, 2012 in the personal property described in Schedule "A" attached hereto.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
**Springbrook NY, Inc.**

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

**Amended and Restated Security Agreement**

**UCC FINANCING STATEMENT ADDENDUM**

217760

2012 JUL 26 PM 3:45

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME		
OR <b>SPRINGBROOK NY, INC.</b>		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

**10. MISCELLANEOUS:**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME			
OR			
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE   POSTAL CODE   COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
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**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME			
OR			
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE   POSTAL CODE   COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  se-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE AMENDED AND RESTATED SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Institution") and RBS Citizens, N.A. (the "Bank") have entered into an Amended and Restated Security Agreement dated as of July 1, 2012 (as amended, modified, restated or supplemented from time to time, the "Security Agreement"), in favor of the Bank as security for the payment of all sums due under a certain Bond Purchase Agreement and Reimbursement Agreement dated September 1, 2010, between the Institution and the Bank as amended and supplemented by Supplement to Bond Purchase Agreement and Reimbursement Agreement dated July 1, 2012, between the Institution and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Institution granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Institution, to secure the payment and performance in full of the Obligations of the Institution:

(a) *Gross Revenues*: All issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Institution or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non-program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and payments, contributions, gifts and grants from the Guarantor received pursuant to the Capital Campaign or otherwise and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Bank or held by the Trustee under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Institution and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or thereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or thereafter coming into existence, and whether now owned or held or thereafter acquired by the Institution, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Institution subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property or the Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift; and

(b) all Equipment, inventory located at the Mortgaged Property, articles of personal property and all appurtenances, now or thereafter attached to, contained in or used in connection with the Mortgaged Property located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery, and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above;

wherever located, whether now owned or thereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter-of-Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original Collateral, proceeds and products of the foregoing.

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
**Jean S. Everett, Esq.**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Everett Law Office  
 1325 G Street NW Suite 500  
 Washington DC 20005**

029069

2011 OCT 12 AM 9:00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a ORGANIZATION'S NAME <b>SPRINGBROOK NY, INC.</b>				
OR				
1b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c MAILING ADDRESS				
<b>2705 State Highway 28</b>		<b>Oneonta</b>	<b>NY</b>	<b>13820</b>
				<b>USA</b>
1d SEE INSTRUCTIONS <b>Not Applicable</b>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>not-for-profit</b>	1f. JURISDICTION OF ORGANIZATION <b>New York State</b>	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a ORGANIZATION'S NAME				
OR				
2b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c MAILING ADDRESS				
2d SEE INSTRUCTIONS <b>Not Applicable</b>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a ORGANIZATION'S NAME <b>RBS CITIZENS, N.A.</b>				
OR				
3b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c MAILING ADDRESS				
<b>250 South Clinton Street</b>		<b>Syracuse</b>	<b>NY</b>	<b>13202</b>
				<b>USA</b>

4. This FINANCING STATEMENT covers the following collateral:  
**All right, title and interest of the debtor in the home furnishings, office equipment and vehicles (and also includes all attachments, accessions and equipment now or hereafter affixed to the Collateral or used in connection therewith, substitutions and replacements therefor, all items of Collateral now owned or existing and hereafter acquired, created or arising, and all proceeds thereof) granted pursuant to a Security Agreement dated as of October 1, 2011 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOBR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	All Debtors	Debtor 1	Debtor 2		

8. OPTIONAL FILER REFERENCE DATA  
**Springbrook - Security Agreement**

755555

2016 May 10 PM12:19

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
CSC 800-858-5294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSC  
801 Adlai Stevenson Dr  
Springfield, IL 62703, USA  
NYfilings@cscinfo.com  
(Fax)800-345-8859

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 201110120541742 Filedate: 12-OCT-11

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME SPRINGBROOK NY, INC.

OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS	ADDL INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
----------------------	----------------------------------	--------------------------	----------------------------------	---------------------------------	-------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME CITIZENS BANK, N.A. FORMERLY KNOWN AS RBS CITIZENS, N.A.

OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----	----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA DEBTOR:SPRINGBROOK NY, INC. [115768791]



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

029070

2011 OCT 12 AM 9:00

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean S. Everett, Esq.**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Everett Law Office  
 1325 G Street NW Suite 500  
 Washington DC 20005**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR  
 1b. INDIVIDUAL'S LAST NAME

1c. MAILING ADDRESS  
**2705 State Highway 28**

CITY  
**Oneonta**

STATE  
**NY**

POSTAL CODE  
**13820**

COUNTRY  
**USA**

ADD'L INFO RE ORGANIZATION DEBTOR  
 1e. TYPE OF ORGANIZATION  
**not-for-profit**

1f. JURISDICTION OF ORGANIZATION  
**New York State**

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR  
 2b. INDIVIDUAL'S LAST NAME

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR  
 2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR  
 3b. INDIVIDUAL'S LAST NAME

3c. MAILING ADDRESS  
**250 South Clinton Street**

CITY  
**Syracuse**

STATE  
**NY**

POSTAL CODE  
**13202**

COUNTRY  
**USA**

**4. This FINANCING STATEMENT covers the following collateral:**

**All right, title and interest of the debtor in the personal property more fully described on Exhibit A attached hereto and granted pursuant to a Mortgage, Assignment of Rents and Security Agreement dated as of October 1, 2011 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2 (ADDITIONAL FEE)

**8. OPTIONAL FILER REFERENCE DATA**

**Springbrook - Mortgage**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

029070

2011 OCT 12 AM 9:00

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
OR <b>SPRINGBROOK NY, INC.</b>		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
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## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
See Exhibit B attached hereto

16. Additional collateral description:  
See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A  
TO UCC-1 FINANCING STATEMENT

Pursuant to a Mortgage, Assignment of Rents and Security Agreement dated October 5, 2011 (the "*Mortgage*"), Springbrook NY, Inc. ("Debtor") has warranted, assigned, mortgaged, hypothecated, pledged, granted a lien on and security interest in, set over and confirmed unto RBS Citizens, N.A., and its successors and assigns forever, all of the estate, right, title and interest of the Debtor in, to and under any and all of the following described property (the "*Mortgaged Property*"), whether now owned or held or hereafter acquired:

(a) (i) the fee simple interest in the real property more particularly described in Exhibit B attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Debtor in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof;

(b) the articles of personal property and all appurtenances, now or thereafter attached to, contained or used in connection with the *Mortgaged Property*, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*"), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the *Mortgaged Property* (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the *Mortgaged Property*

or now or hereafter transferred to the Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above now or hereafter entered into and the right to receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Debtor shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Debtor's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property;

(f) all right, title and interest of the Debtor in and to all contracts from time to time executed by the Debtor or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

EXHIBIT B 029070

2011 OCT 12 AM 9:00

Old Republic National Title Insurance Company  
Cooper Country Abstract Company, Inc.  
193 Main St., Cooperstown, NY 13326  
File No: C11275  
Policy Date:  
Policy #:

Borrower: Springbrook NY, Inc.  
Property Address: 320 South Side Drive  
County: Otsego  
Town/City/Village: Oneonta  
Tax Map No: 300.00-3-42.00

SCHEDULE "A"  
Description

All that certain piece parcel or tract of land situate and lying in the Town of Oneonta, County of Otsego and State of New York and being a portion of Otsego County Tax Map Department Parcel Number 300.00-3-42 and being bounded and described as follows:

Beginning at a point in the centerline of South Side Drive at the northwest corner of the lands of David J. Hamwey and Charles H. Hamwey being Parcel 1 in Liber 1114 at Page 595 and being North  $05^{\circ} 31' 43''$  West, 25.98 feet from a  $5/8''$  steel rod and KMS cap set and said point also having the NYS Plane Coordinates of North-1316418.277, East-345623.578 (East Zone); Thence along the westerly bounds of the aforementioned lands of David J. and Charles H. Hamwey, South  $05^{\circ} 31' 43''$  East, 871.30 feet to a  $5/8''$  steel rod and KMS cap set; Thence along a new division line, South  $84^{\circ} 28' 17''$  West, 208.74 feet to a  $5/8''$  steel rod and KMS cap set; Thence along the easterly bounds of the lands of Janice M. Smith per Liber 759 at Page 420, North  $05^{\circ} 18' 35''$  West, 435.79 feet to a  $5/8''$  steel rod with cap found; Thence along the easterly bounds of the lands of Leslie W. Fisher per Liber 788 at Page 1084, North  $05^{\circ} 54' 53''$  West, 368.65 feet to a point in the centerline of South Side Drive, said point being North  $05^{\circ} 54' 53''$  West, 23.95 feet from a  $5/8''$  steel rod with cap found; Thence along the centerline of South Side Drive, North  $66^{\circ} 46' 25''$  East, 219.97 feet to the point and place of beginning.

Containing 4.00 Acres of land.

755556

2016 May 10 PM12:19

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
CSC 800-858-5294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSC  
801 Adlai Stevenson Dr  
Springfield, IL 62703, USA  
NYfilings@cscinfo.com  
(Fax)800-345-6059

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 201110120541766 Filedate: 12-OCT-11

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME SPRINGBROOK NY, INC.

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME CITIZENS BANK, N.A. FORMERLY KNOWN AS RBS CITIZENS, N.A.

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA DEBTOR:SPRINGBROOK NY, INC. [115768546]

743931

2012 Apr 16 PM08:06

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-562-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS **2705 STATE HIGHWAY 28** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **NONPROFIT** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **191#3**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **U.S. Bank Equipment Finance**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

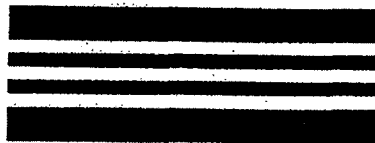
3c. MAILING ADDRESS **1310 Madrid Street** CITY **Marshall** STATE **MN** POSTAL CODE **56258** COUNTRY **USA**

4. This FINANCING STATEMENT covers the following collateral:  
 FOR INFORMATIONAL PURPOSES ONLY: 1 B552 2WV011003327; 1 B552 2WV011003315; 1 B552 2WV011003310; 1 C360 0ED011022902; 1 MFX2570 90059024; 1 MFX2570 90058001; 1 MFX2570 90058018; 1 MFX2570 90058010; 1 C360 0ED011022902C

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2 (ADDITIONAL FEE)

8. OPTIONAL FILER REFERENCE DATA NY-0-32843025-46347232



217761

2012 JUL 26 PM 3:45

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER [optional]**  
 Jean S. Everett, Esq.

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

Jean S. Everett  
 3070 Muirfield Road  
 Center Valley, PA 18034

DRAWDOWN #3G

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
Oneonta	NY	13820	USA

2705 State Highway 28

ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION
	not-for-profit	New York State

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
Syracuse	NY	13202	USA

250 South Clinton Street

4. This FINANCING STATEMENT covers the following collateral:

All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Mortgage, Assignment of Leases and Rents and Security Agreement dated as of July 1, 2012 by the debtor in favor of the secured party.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	A.G. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)	All Debtors	Debtor 1	Debtor 2		

8. OPTIONAL FILER REFERENCE DATA

Springbrook - Mortgage 2012

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201207260422263



# UCC FINANCING STATEMENT ADDENDUM

217761

2012 JUL 26 PM 3:45

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME			
SPRINGBROOK NY, INC.			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

ADDL INFO RE ORGANIZATION DEBTOR	11a. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "Debtor"), has given a Mortgage, Assignment of Leases and Rents and Security Agreement dated as of July 1, 2012 (as amended, modified, restated or supplemented from time to time, the "Series 2012A Mortgage"), in favor of RBS Citizens, N.A. (the "Bank") and Otsego County Capital Resource Corporation (the "Issuer") as security for the payment of all sums due under a Bond Purchase Agreement and Reimbursement Agreement dated as of September 1, 2010, between the Debtor and the Bank, as amended and supplemented by a certain Supplement to Bond Purchase Agreement and Reimbursement Agreement dated as of July 1, 2012, between the Debtor and the Bank and a Loan Agreement dated as of September 1, 2010, between the Debtor and the Issuer, as amended by Amendment to Loan Agreement dated July 1, 2012, between the Debtor and the Issuer, with consent of Manufacturers and Traders Trust Company, as trustee. Pursuant to an Assignment of Mortgage dated as of July 1, 2012, the Issuer assigned all its right, title and interest in and to the Series 2012A Mortgage to the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Series 2012A Mortgage.

Pursuant to the Series 2012A Mortgage, the Debtor granted to the Bank and the Issuer a security interest in, and pledged and assigned to the Bank and the Issuer all of the estate, right, title and interest of the Debtor in, to and under any and all of the following described property (the "*Series 2012A Mortgaged Property*"), whether now owned or held or thereafter acquired, to secure the payment and performance in full of the Obligations of the Debtor:

(a) (i) the real property more particularly described in Exhibit A attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Institution in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the Series 2012A Project Facility;

(b) the Equipment (including as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Series 2012A Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Series 2012A Mortgaged Property or now or thereafter transferred to the Series 2012A Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

proposed, in front of or adjoining the Series 2012A Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Series 2012A Mortgaged Property or the other real property described above now or thereafter entered into and the right to receive and apply the rents, issues and profits of the Series 2012A Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default under this Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Institution shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Series 2012A Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Institution's right to use such insurance proceeds or condemnation award for restoration of the Series 2012A Mortgaged Property as provided in the Bond Purchase Agreement;

(f) all right, title and interest of the Institution in and to all contracts from time to time executed by the Institution or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Series 2012A Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Series 2012A Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Series 2012A Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Series 2012A Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Series 2012A Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

**EXHIBIT A**

PARCEL 1 - 5588 State Highway 7

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Oneonta, County of Otsego, State of New York, bounded and described as follows:

BEGINNING at a point in the southerly bounds of New York State Route No. 7 (S.H. 162) at the northeasterly corner of lands of Emmons Farms Corp. (L 625 P 331); running thence easterly along the southerly bounds of New York State Route 7 (S.H. 162) the following two courses and distances:

- 1) North 54°38'53" East 402.02 feet;
- 2) North 58°20'22" East 206.48 feet

to a point; running thence southerly through lands of Emmons Farms Corp. along the westerly bounds of a lease as shown on Otsego County filed map No. 3783 the following seven courses and distances:

- 1) South 04°23'59" West 159.63 feet;
- 2) South 13°01'01" East 124.11 feet;
- 3) South 18°10'32" West 124.86 feet;
- 4) South 01°10'02" West 110.06 feet;
- 5) South 13°33'03" East 76.88 feet;
- 6) South 02°56'19" East 164.60 feet;
- 7) South 00°45'09" East 358.57 feet

to a point in the northerly bounds of Interstate Route 88 (I-508); running thence South 56°10'57" West along the northerly bounds of Interstate Route 88 (I-508) a distance of 721.09 feet to the southeasterly corner of lands of John W. Brooks and Joan S. Brooks (L 694 P 307); running thence North 04°23'59" East along the easterly bounds of lands of said Brooks and lands of Emmons Farms Corp. (L 625 P 331) a distance of 1170.20 feet to the point of beginning.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

PARCEL 2 - 424 Route 9

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Oneonta County of Otsego and State of New York, bounded and described as follows:

Beginning at a point in the centerline of County Route 9 (nine) with the lands of Robert A. Gravelin (606-789) on the South and lands being described on the North; said point also being N 71-07-10 W, 25.48 feet from an iron rod; thence along the centerline of said route N 07-46-27 E, 256.40 feet to a point in the centerline of said route; thence S 82-13-33 E, 25.00 feet to a point in the westerly bounds of County Route 8 (eight) (Reference: Otsego Highway Taking Map No. 8-1, dated August, 1967); thence along the westerly bounds of said route S 15-17-11 E, 310.56 feet to a concrete monument; thence continuing along said bounds S 26-57-11 E, 297.29 feet to a point; thence continuing along said bounds the following courses:

1. S 45-34-11 E, 45.33 feet
2. S 44-25-49 W, 19.57 feet
3. S 30-34-16 W, 43.28 feet
4. S 07-13-21 W, 48.15 feet
5. S 36-22-44 E, 110.63 feet
6. S 53-37-16 W, 26.89 feet
7. S 12-07-11 E, 120.92 feet
8. S 41-12-11 E, 244.87 feet

and N 89-37-10 E, 23.02 feet to a point in Otego Creek; thence along the lands of New York State Electric and Gas Corporation (Reference: "Map showing a subdivision of the lands for New York State Electric and Gas Corp.", by Richard E. Parsons, L.S., N.Y.S. License No. 49317, dated July 1, 1987, Filed map no. 2013) the following courses:

1. S 00-22-50 E, 17.85 feet
2. S 11-05-55 W, 106.12 feet

and S 29-07.13 W, 27.65 feet to a point in Otego Creek; thence along the division line of Lot 2 (two) of a "Survey of Property for Anna Maria Lusins", as prepared by Ronald Mullenix, P.L.S., N.Y.S. License No. 49188, dated February 2, 1989, Project No. 8904, on the South and lands being described on the North, N 59-51-25 W, 329.14 feet and N 48-29-12 W, 478.36 feet to a point in the centerline of County Route 9 (nine); thence along the centerline of said route N 20-48-11 E, 58.70 feet and N 17-32-01 E, 143.86 feet to a point in said centerline; said point also being N 67-07-10 W, 28.07 feet from an iron rod; thence along the lands of Gravelin, to and beyond said iron rod, S 67-07-10 E, 125.11 feet to a point; thence continuing along the lands of Gravelin, N 16-02-50 E, 345.25 feet to an iron rod; thence continuing along the lands of Gravelin N 71-07-10 W, 125.40 feet to the point of beginning; containing 6.221 acres of land.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

The above described parcel also being Lot 1 (one) of Survey of Property for Anna Marie Lusins, as prepared by Ronald Mullerix, P.L.S., N.Y.S. License No. 49188, dated February 2, 1989, Project No. 8904.

PARCEL 3 - 333 Main Street

ALL THAT TRACT OR PARCEL OF LAND situate in the town and village of Otego, in the County of Otsego and State of New York, bounded and described as follows:

BEGINNING at the Southerly corner of what was formerly the house lot of Berosus Cook, now deceased, and is now the Southerly corner of Charles H. Broadfoot's house lot, on Main Street in said village; thence Northerly along the Westerly line of said Broadfoot's lot to the Old School Baptist Church lot; thence Westerly along the Southerly line of said Church lot four rods and ten feet (4 rds. and 10 ft.) to a point in the said line of said Church lot; thence Southerly a straight line to a point on Main Street four rods and fifteen feet (4 rds. and 15 ft.) from the place of beginning; from thence Easterly four rods and fifteen feet (4 rds. and 15 ft.) to the Southerly corner of said Broadfoot's lot, the place of beginning, be the same more or less.

PARCEL 4 - 10 Cook Street

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Worcester, County of Otsego and State of New York, bounded and described as follows: Beginning at an iron pin driven in the ground at the intersection of the North line of Maple Street, in the Village and Town of Worcester, N.Y. and the East line of Cook Street; said point also being the South West corner of the property of Mary E. Herrick; thence easterly 218' at an interior angle of 85 degrees 30 mins. to an iron pin driven in the ground, at the North West corner of the property of Charles Fredenburgh; thence southerly along the West line of the Fredenburgh property 109 feet and 8 inches at an interior angle of 92 degrees 50 mins. to an iron pin driven in the ground at the North East corner of the Cook property thence westerly 214' 8 inches at an interior angle of 87 degrees 10 mins. along the North line of the Cook property to an iron pin driven in the ground at the East line of Cook Street; thence northerly 110' along the East line of Cook Street at an interior angle of 94 degrees 30 mins. to the point of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND SITUATE AND LYING in the Town of Worcester, County of Otsego, State of New York being generally described as follows:

Commencing at an iron stake driven in the ground on this date on the northerly side of property owned by party of the first part, at a point where it adjoins the property owned by Donald Hall; property of the party of the first part, and property of the party of the second part; and running thence easterly a distance of approximately sixty-five (65) feet across the property owned by the

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

party of the first part; thence running northerly a distance of one hundred (100) feet approximately, along the ~~division line~~ of the property of the party of the first part and property owned by Mrs. Jennie Peters; thence running westerly a distance of approximately sixty-five (65) feet along the Division line of the property of the party of the first part and property owned by Richard Weidman; thence running approximately one-hundred (100) feet southerly along the Division line of the property of the party of the first part and the property of the party of the second part to the place of beginning.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND  
SECURITY AGREEMENT

EXHIBIT B

217761

2012 JUL 26 PM 3:45

All furniture, fixtures, machinery, equipment and other items of personal property and all appurtenances now or thereafter attached to, contained in or used in connection with the Series 2012A Mortgaged Property or the Series 2012A Project Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").



764305

2013 Jul 02 PM03:33

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efilling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME SPRINGBROOK NY, INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS 2705 STATE HIGHWAY 28 CITY ONEONTA STATE NY POSTAL CODE 13820 COUNTRY USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION NONPROFIT 1f. JURISDICTION OF ORGANIZATION NY 1g. ORGANIZATIONAL ID #, if any None  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME U.S. Bank Equipment Finance, a division of U.S. Bank National Association

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS 1310 Madrid Street CITY Marshall STATE MN POSTAL CODE 56258 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:  
 1 COPIERS MFX2570 90039006; 1 COPIERS MFX2570 90082008; 1 COPIERS C454 4FJ011002975; 1 COPIERS B552 2WV011007695; 1 COPIERS B552 2WV011007593; 1 COPIERS 3530 20009026; 1 COPIERS 3530 20011027; 1 COPIERS 3530 20011012; 1 COPIERS 3530 20009018; 1 COPIERS 3530 20011016; 1 COPIERS 3530 20012016; 1 COPIERS 3530 20012029; 1 COPIERS 3530 20011021; 1 COPIERS 3530 20007012; 1 COPIERS 259 90045026; 1 COPIERS 259 90057030; 1 COPIERS 223 1UG011101447; 1 COPIERS-CPC C454 4FJ011002975C;

TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA NY-0-38801445-47572012

427688

2013 Jul 17 PM02:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Michele Coe 248-593-7231

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Technology Investment Partners, L.L.C.  
40950 Woodward Avenue Suite 201  
Bloomfield Hills, MI 48304, USA

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Springbrook NY, Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS 105 Campus Drive CITY Oneonta STATE NY POSTAL CODE 13820 COUNTRY USA

ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION Non Profit Corporation 1f. JURISDICTION OF ORGANIZATION NY

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Technology Investment Partners, L.L.C.

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS 40950 Woodward Avenue Suite 201 CITY Bloomfield Hills STATE MI POSTAL CODE 48304 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All of the equipment and all modifications, additions, replacements and substitutions and proceeds thereto, in whole or in part, on Lease Agreement #S000000020-000 dated June 28, 2013, between Springbrook NY, Inc., as lessee, and Technology Investment Partners, L.L.C. dba Tyco Global Financial Solutions, as lessor, as it may be amended or extended from time to time, together with all rental payments and other amounts payable under the lease including all proceeds and insurance proceeds, and all of lessee's right, title and interest in the software, licenses and services described therein and all rights to payment thereunder, including all warranty claims and rights to any refund, indemnification, and/or abatement to which lessee becomes entitled, no matter how or when arising, whether such rights are classified as accounts, general intangibles, or otherwise.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Affidavit if applicable. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA SPRINGBROOK NY, INC. #S000000020-000

427688

2013 Jul 17 PM02:00

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME Springbrook NY, Inc.			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
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12.  ADDITIONAL SECURED PARTY'S or  ASSIGNOR S/P'S NAME - Insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME Tyco Global Financial Solutions					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS 40950 Woodward Avenue Suite 201		CITY Bloomfield Hills	STATE MI	POSTAL CODE 48304	COUNTRY USA

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.  
14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

813383

2013 Nov 15 PM08:06

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS **2705 STATE HIGHWAY 28** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **NONPROFIT** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **19193**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **U.S. BANK EQUIPMENT FINANCE**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS **1310 MADRID STREET** CITY **MARSHALL** STATE **MN** POSTAL CODE **56258** COUNTRY **USA**

4. This FINANCING STATEMENT covers the following collateral:  
**1 COPIERS C454 5C0011000075B; 1 COPIERS-CPC C454 5C0011000075C; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:**

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BALOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA **NY-0-40665443-47956597**

119916

2013 09 -09 09:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
 Phone: (800) 331-3282 Fax: (818) 662-4141

B. SEND ACKNOWLEDGMENT TO: (Name and Address) 15602 - US BANK BUSINESS EQU

CT Lien Solutions 40914777  
 P.O. Box 29071  
 Glendale, CA 91209-9071 NYNY

File with: Secretary of State, NY

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
 SPRINGBROOK NY, INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
 105 CAMPUS DRIVE ONEONTA NY 13820 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
 NONPROFIT NY  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
 U.S. BANK EQUIPMENT FINANCE

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
 1310 MADRID STREET MARSHALL MN 56258 USA

4. This FINANCING STATEMENT covers the following collateral:

1 COPIERS 423 1UD011109483B; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:

5. ALTERNATIVE DESIGNATION [if applicable]:  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
 40914777 3000008995 1786158

007549

2014 MAR 31 AM 9:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean S. Everett, Esq. (610-868-1869)**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Kathleen McGinn  
Hiscock & Barclay, LLP  
80 State Street  
Albany, NY 12207**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR  
1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**2705 State Highway 28 Oneonta NY 13820 USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**Not Applicable Corporation New York State**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR  
2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
**Not Applicable**  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**RBS CITIZENS, N.A.**

OR  
3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**250 South Clinton Street Syracuse NY 13202 USA**

4. This FINANCING STATEMENT covers the following collateral:  
**All right, title and interest of the debtor in the fixtures described in Schedule A attached hereto and made a part hereof granted pursuant to a Second Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 25, 2014 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  THIS FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
**Springbrook 2014 Mtg (County) 3029501**

007549

2014 MAR 31 AM 9:00

**UCC FINANCING STATEMENT ADDENDUM**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME

OR **SPRINGBROOK NY, INC.**

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. **SEE INSTRUCTIONS**  
Not Applicable

ADD'L INFO RE ORGANIZATION DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

NONE

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
**Exhibit A attached hereto**

16. Additional collateral description:  
**See Schedule A attached hereto**

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

SPRINGBROOK NY, INC., a not-for-profit corporation (the "*Debtor*"), has given a Second Mortgage, Assignment of Leases and Rents and Security Agreement dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Second Mortgage*"), in favor of RBS Citizens, N.A. (the "*Bank*") as security for the payment of all sums due under a Promissory Note dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Note*"), from the Debtor to the Bank and a Loan Agreement dated March 25, 2014 (as amended, modified, restated or supplemented from time to time, the "*Loan Agreement*"), between the Debtor and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Loan Agreement.

Pursuant to the Second Mortgage, the Debtor granted to the Bank a security interest in, and pledged and assigned to the Bank all of the estate, right, title and interest of the Debtor in, to and under any and all of the following described property (the "*Mortgaged Property*"), whether now owned or held or thereafter acquired, to secure the payment and performance in full of the Obligations of the Debtor:

(a) (i) the fee interest in the real property more particularly described in **Exhibit A** attached hereto, together with the appurtenances thereto and any portion of the land lying in the streets and roads in front of and adjoining said land (the "*Land*"), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time thereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Debtor in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or thereafter standing on the Land or any part thereof, including, without limitation, the facilities of the Debtor financed and/or refinanced with proceeds of the Note;

(b) the Equipment (including as more particularly described in **Exhibit B** attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, royalties, mineral, oil and gas rights and profits, water, water rights and water stock and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or thereafter appurtenant to the Mortgaged Property or now or thereafter transferred to the Mortgaged Property) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Mortgaged Property to the center line thereof benefiting the Land;

(d) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above now or thereafter entered into and the right to receive and apply the rents, license fees, issues and profits of the Mortgaged Property or the



SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default (as defined in the Mortgage) under the Mortgage or event which with the passage of time or giving of notice would constitute an Event of Default under the Mortgage, the Debtor shall have a revocable license to collect and receive rents, license fees, issues and profits and to retain, use and enjoy such rents, license fees, issues and profits;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Debtor's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(f) all right, title and interest of the Debtor in and to all contracts from time to time executed by the Debtor or any manager or agent on its behalf relating to the ownership, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(g) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, condemnation and other awards; and

(h) all extensions, additions, substitutions and accessions with respect to any of the foregoing.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

EXHIBIT A

All that certain piece, parcel or tract of land situate and lying in the Town of Milford, County of Otsego and State of New York and being a portion of Otsego County Tax Map Department Parcel Number 242-1-21.01, all of 242-1-21.02 and 242-1-22 and being bounded and described as follows:

Beginning at a point on the northerly bounds of New York State Route Number 28 at the centerline intersection with Otsego County Route Number 44 and said point being the southeast corner of the herein described parcel; Thence along the northerly bounds of New York State Route Number 28 the following three (3) courses and distances:

- 1). South 78° 10' 28" West, 100.57 feet to a point;
- 2). South 81° 55' 55" West, 83.00 feet to a point;

3). South 68° 06' 56" West, 305.00 feet to a point; Thence along the lands being possessed by Springbrook N.Y., Inc. with title being with John S. and Jean Lamb their heirs and or assigns the following three (3) courses and distances:

- 1). North 23° 12' 03" West, 181.53 feet to a point;
- 2). South 72° 36' 35" West, 68.20 feet to a point;

3). South 23° 12' 03" East, 186.55 feet to a point on the northerly bounds of New York State Route Number 28; Thence along the northerly bounds of New York State Route Number 28, South 68° 23' 15" West, 153.13 feet to a highway monument found; Thence along the northerly bounds of the lands of Mark J. and Kathy Cox per Liber 932 at Page 9, North 56° 11' 39" West, 569.12 feet to a 5/8" steel rod and KMS cap, set, Thence along the northerly bounds of the lands of Ellen Dutcher per Liber 745 at Page 758 the following two (2) courses and distances:

1). North 28° 18' 21" East, 66.06 feet to a 5/8" steel rod with Lawson cap found;

2). North 61° 41' 40" West, 1524.45 feet to a 5/8" steel rod with Lawson cap found; Thence along the bounds of the lands of Grace L. McNeill and Julius A. Lucia, Jr. per Liber 1090 at Page 467 and the bounds of the lands of aforementioned Dutcher, North 14° 09' 30" East, 1471.80 feet to a 5/8" steel rod found; Thence along the southerly then easterly bounds of other lands of Springbrook N.Y., Inc being Tax Map Number 242-1-54 and a portion of Instrument Number 2010-2264 (portion of Parcel II), the following three (3) courses and distances:

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

- 1). South 75° 42' 35" East, 1169.03 feet to a 5/8" steel rod and KMS cap, set,
- 2). North 34° 21' 53" East, 620.77 feet to a 5/8" steel rod and KMS cap, set,
- 3). North 04° 40' 04" West, 282.84 feet to a 1/2" steel rod found; Thence along the southerly bounds of the lands of Kyle and Danielle Greiner per Liber 1066 at Page 139, South 89° 05' 17" East, 77.76 feet to a 1 1/4" iron pipe found at the base of a cherry tree; Thence along the southerly bounds of the lands of Donald A. and Mary E. Knapp per Liber 714 at Page 309 the following two (2) courses and distances:
  - 1). South 58° 11' 53" East, 48.34 feet to a 1/2" iron pipe found;
  - 2). North 84° 19' 01" East, 123.99 feet to a point in the centerline of Otsego County Route Number 44, said point being North 84° 19' 01" East, 18.99 feet from a 1/2" iron pipe found; Thence along the centerline of Otsego County Route Number 44 the following five (5) courses and distances:
    - 1). South 08° 33' 58" East, 212.21 feet to a point;
    - 2). Along a curve to the left having a radius of 1450.00 feet, a central angle of 09° 04' 42" and a length of curve of 229.75 feet to a point;
    - 3). South 17° 42' 12" East, 275.03 feet to a point;
    - 4). Along a curve to the right having a radius of 2500.00, a central angle of 03° 17' 47" and a length of curve of 143.84 feet to a point;
    - 5). South 14° 24' 25" East, 150.83 feet to a point at the northeast corner of the lands of Richard N. Atwell per Liber 2012 at Page 571; Thence along the northerly bounds of the lands of Atwell, North 76° 36' 00" West, 481.68 feet to a 1/2" steel rod found; Thence continuing along the westerly bounds of the lands of Atwell and the westerly bounds then southerly bounds of the lands of Kimberly A. Miller per Instrument Number 2012-571 the following two (2) courses and distances:
      - 1). South 14° 21' 47" West, 622.41 feet to a 1/2" steel rod found;
      - 2). South 75° 18' 23" East, 802.40 feet to a point in centerline of Otsego County Route Number 44, said point being South 75° 18' 23" East, 27.15 feet from a 1/2" steel rod found; Thence along the centerline of Otsego County Route Number 44 the following seven (7) courses and distances:
        - 1). South 09° 55' 42" East, 122.58 feet to a point;
        - 2). Along a curve to the right having a radius of 100.00 feet, a central angle of 02° 20' 23" and a length of curve of 4.08 feet to a point;

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND RENTS  
AND SECURITY AGREEMENT

3). Along a curve to the right with a radial bearing of South 82° 24' 41" West, a radius of 2500.00 feet, a central angle of 12° 17' 08" and a length of curve of 536.06 feet to a point;

4). Along a curve to the right with a radial bearing of North 85° 18' 11" West, a radius of 100.00 feet, a central angle of 05° 08' 04" and a length of curve of 8.96 feet to a point;

5). South 09° 49' 53" West, 174.62 feet to a point;

6). Along a curve to the left having a radius of 900.00 feet, a central angle of 10° 28' 41" and a length of curve of 164.59 feet to a point;

7). South 00° 38' 48" East, 109.86 feet to the point and place of beginning.

Containing 96.86 acres of land.

Bearings are with reference to Grid North

Subject to any rights of way, easements and/or ownership which may have been granted to utility companies.

Subject to the rights of the public in and to the use of Otsego County Route 44 included in the above described parcel.

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO RBS CITIZENS, N.A.  
RELATING TO THE SECOND MORTGAGE, ASSIGNMENT OF LEASES AND  
RENTS AND SECURITY AGREEMENT

**EXHIBIT B**

All articles of personal property and all appurtenances, financed with the Loan and now or thereafter attached to, contained in or used in connection with the Mortgaged Property or the Facility, located therein or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, microwaves, furniture, rugs, movable partitions, cleaning equipment, health and fitness related equipment, maintenance equipment, office equipment, computers and related equipment, gym and exercise equipment, food service equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above, whether now owned or thereafter acquired or arising, and all proceeds, products, and accessions thereof (all of the same being hereinafter called the "*Equipment*").

007549

2014 MAR 31 AM 9:00

732188

2014 Mar 31 PM08:04

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Gisella Melendez 800-331-3282	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <table border="1"> <tr> <td>CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071, USA efiling@wolterskluwer.com (Fax)818-662-4141</td> </tr> </table>	CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071, USA efiling@wolterskluwer.com (Fax)818-662-4141
CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071, USA efiling@wolterskluwer.com (Fax)818-662-4141	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME <b>SPRINGBROOK NY, INC.</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>5588 STATE HIGHWAY 7</b>			CITY <b>ONEONTA</b>	STATE <b>NY</b>	POSTAL CODE <b>13820</b>	COUNTRY <b>USA</b>
1d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>NONPROFIT</b>	1f. JURISDICTION OF ORGANIZATION <b>NY</b>	1g. ORGANIZATIONAL ID #, if any <b>19193</b> <input type="checkbox"/> NONE		

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME <b>U.S. BANK EQUIPMENT FINANCE</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>1310 MADRID STREET</b>			CITY <b>MARSHALL</b>	STATE <b>MN</b>	POSTAL CODE <b>56258</b>	COUNTRY <b>USA</b>

**4. This FINANCING STATEMENT covers the following collateral:**

**1 COPIERS B454E 61E011002440B; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:**

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILLEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2	
8. OPTIONAL FILER REFERENCE DATA <b>NY-0-42670569-48386763</b>						

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

**Filing Number-201403315320269**

763061

2014 Jun 13 PM08:02

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS **2705 STATE HWY 28** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **NONPROFIT** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **19193**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **U.S. BANK EQUIPMENT FINANCE**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS **1310 MADRID STREET** CITY **MARSHALL** STATE **MN** POSTAL CODE **56258** COUNTRY **USA**

4. This FINANCING STATEMENT covers the following collateral:  
**1 COPIERS 554E 61D011003346BLK; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:**

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA NY-0-43700538-48684813

Filing Number-201406135628524

773087

2014 Jul 09 PM12:51

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
 Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
 P.O. Box 29071  
 Glendale, CA 91209-9071, USA  
 efilings@wolterskluwer.com  
 (Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS **5588 STATE HIGHWAY 7** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **NONPROFIT** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **None**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **U.S. Bank Equipment Finance, a division of U.S. Bank National Association**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS **1310 Madrid Street** CITY **Marshall** STATE **MN** POSTAL CODE **56258** COUNTRY **USA**

4. This FINANCING STATEMENT covers the following collateral:

1 COPIERS 554E 61D011001565; 1 COPIERS 454E 61E011003423; 1 COPIERS MFX3530 20139009; 1 COPIERS MFX3530 20057021; 1 COPIERS MFX3530 20136002; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) (ADDITIONAL FEE) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA NY-0-44028029-48778540

Filing Number-201407095727818



**UCC FINANCING STATEMENT**  
 FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & ADDRESS OF CONTACT AT FILER (optional)  
**David Boyd, 515-251-2800**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**AGCO Finance LLC  
 P.O. Box 4000  
 Johnston, IA 50131-9854**

229168  
 2014-11-05

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a. ORGANIZATIONS NAME  
**SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS  
**105 CAMPUS DRIVE** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **CORPORATION** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **19193**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a. ORGANIZATIONS NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

3a. ORGANIZATIONS NAME  
**AGCO FINANCE LLC**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**P.O. BOX 2000** **JOHNSTON** **IA** **50131-0020** **USA**

4. This FINANCING STATEMENT covers the following collateral: (Make, Model, Desc, Serial #), together with all accessories, repairs, attachments and accessions thereto.

**MASSEY FERGUSON, 1759L, TRACTOR, M17590DJJ81103**  
**MASSEY FERGUSON, CB20, MFCB20, VZ4238246005**  
**MASSEY FERGUSON, GC1705L, TRACTOR/LOADER, MGC050EJH71917**  
**MASSEY FERGUSON, 2325, MOWER, M23250DJ634429**  
**MASSEY FERGUSON, 2360, SNOW BLOWER, M23600ER259051**  
**MASSEY FERGUSON, 2330, ROTARY BROOM, M23300ER085010**

5. ALTERNATIVE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOB  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(s) on Debtor(s) [ADDITIONAL FEE] (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA **NY** **JK** **46**

**FILING NUMBER: 201411050622761**

832092

2014 Dec 15 PM08:13

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions  
P.O. Box 29071  
Glendale, CA 91209-9071, USA  
efiling@wolterskluwer.com  
(Fax)818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **SPRINGBROOK NY, INC.**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS **2705 STATE HWY 28** CITY **ONEONTA** STATE **NY** POSTAL CODE **13820** COUNTRY **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION **NONPROFIT** 1f. JURISDICTION OF ORGANIZATION **NY** 1g. ORGANIZATIONAL ID #, if any **19193**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **U.S. BANK EQUIPMENT FINANCE**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS **1310 MADRID STREET** CITY **MARSHALL** STATE **MN** POSTAL CODE **56258** COUNTRY **USA**

4. This FINANCING STATEMENT covers the following collateral:

1 COPIERS C224E 5C4011100481; 1 COPIERS-CPC C224E 5C4011100481C; TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA NY-0-46067216-49343311

437106

2015 Oct 15 PM01:49

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Kathleen McGinn (518-429-4243)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Barclay Damon LLP  
80 State Street, 6th Floor  
Albany, NY 12207, USA

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Springbrook NY, Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS 2705 State Highway 28 CITY Onsetta STATE NY POSTAL CODE 13820-9753 COUNTRY USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION Corporation 1f. JURISDICTION OF ORGANIZATION New York 1g. ORGANIZATIONAL ID #, if any NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Citizens Bank, N.A.

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS 250 S. Clinton Street CITY Syracuse STATE NY POSTAL CODE 13202 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:  
See Collateral Attachment

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA 3029591

Springbrook NY, INC., a not-for-profit corporation (the "Debtor") and Citizens Bank, N.A. (the "Secured Party") have entered into a Security Agreement dated as of October 1, 2015 (as amended, modified, restated or supplemented from time to time, the "Security Agreement") in favor of the Bank as security for the payment of all sums due under a certain Non-Replenishing Line of Credit Loan Agreement dated as of October 1, 2015 between the Borrower and the Bank. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Security Agreement.

Pursuant to the Security Agreement, the Borrower granted to the Bank a security interest in, and pledged and assigned to the Bank the following properties, assets and rights of the Borrower, to secure the payment and performance in full of the Obligations of the Borrower:

(i)Gross Revenues: all issues, profits, revenues, income, receipts, moneys and royalties derived from the residential, community-based, educational, clinical or other services provided by the Borrower or otherwise, all gifts, grants, donations and contributions, however denominated, program income; non program income, operating revenues and gains, determined in accordance with generally accepted accounting principles, including State Education Department reimbursement and funding, Medicaid reimbursements and payments, contributions, gifts and grants and Federal or State grant or other programs, and also including investment income on all funds and accounts (except the Rebate Fund (as defined in the Indenture)) held by the Bank or held under the Indenture, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Borrower and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of any property now or hereafter attached to, contained in or used in connection with the Mortgaged Property, located therein or placed on any part thereof, though not attached thereto, all of the foregoing, whether now existing or hereafter coming into existence, and whether now owned or held or hereafter acquired by the Borrower, but excluding (i) any contribution, grant (excluding grants by the United States or the State) or gift made to the Borrower subject to restrictions on its use which restrictions do not permit application to or in connection with the Mortgaged Property, the Loan or the Bonds, or (ii) any income derived from the investment of any such restricted contribution, grant or gift; and

(ii)all Equipment and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non cash proceeds realized from the sale, transfer or conversion of any of the above;

wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products and accessions thereof, including, without limitation, (a) Accounts, (b) Chattel Paper (whether tangible or electronic), (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) General Intangibles (including payment intangibles), (g) Instruments (including promissory notes), (h) Investment Property (including all securities), (i) Letter of Credit Rights (whether or not the Letter of Credit is evidenced by a writing), (j) Money (including contract rights or rights to the payment of money), (k) Supporting Obligations, and (l) to the extent not listed above as original Collateral, proceeds and products of the foregoing (all of the same being hereinafter individually and collectively called the "Collateral").

CLOSING ITEM NO.: C-5

March 27, 2017

Otsego County Capital Resource Corporation  
242 Main Street  
Oneonta, New York 13820

Manufacturers and Traders Trust Company, as Trustee  
One M&T Plaza, 7<sup>th</sup> Floor  
Corporate Trust & Agency Services  
Buffalo, New York 14203-2399

Citizens Bank, N.A.  
250 South Clinton Street, Suite 202  
Syracuse, NY 13202

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

This is to inform you that Springbrook NY, Inc. (the "Institution") presently carries insurance on the Project Facility, as defined in that certain amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement," and together with the initial loan agreement dated as of dated September 1, 2010 (the "Initial Loan Agreement") and the amendment to loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement"), collectively referred to as the "Loan Agreement") by and between the Institution and Otsego County Capital Resource Corporation (the "Issuer"), to the full extent required by Sections 6.3 and 6.4 of said Loan Agreement.

Attached hereto is a copy of a Certificate of Insurance of Risk Strategies Company evidencing that as of December 19, 2016 the builder's risk insurance coverage required by Section 6.3(A) of said Loan Agreement is in full force and effect pursuant to Policy No. 01MSZB9458 of The Hartford Insurance Company.

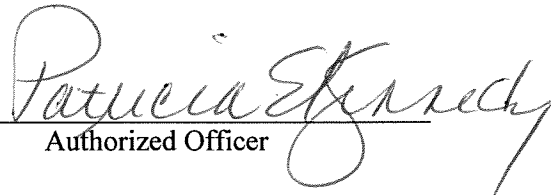
Otsego County Capital Resource Corporation  
Manufacturers and Traders Trust Company, as Trustee  
Citizens Bank, N.A.  
March 27, 2017  
Page 2

Also attached hereto is a copy of a Certificate of Insurance of New York State Insurance Fund evidencing that as of September 1, 2016 the worker's compensation insurance coverage required by Section 6.3(B) of said Loan Agreement is in full force and effect pursuant to Policy No. E 2083 104-6.

Also attached hereto is a copy of a Certificate of Insurance of Risk Strategies Company evidencing that as of July 1, 2016 the comprehensive general liability insurance coverage required by Section 6.3(C) of said Loan Agreement is in full force and effect pursuant to Policy No. PHPK1518356 of Philadelphia Indemnity Insurance Company.

Very truly yours,

SPRINGBROOK NY, INC.

By:   
Authorized Officer



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/16/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Risk Strategies Company 501 State St.  Schenectady NY 12305	CONTACT NAME: Cheryl Marinucci	
	PHONE (A/C, No, Ext): (518) 377-4904 FAX (A/C, No): (518) 377-0085 E-MAIL ADDRESS: cmarinucci@risk-strategies.com	
INSURED Springbrook NY, Inc. dba Springbrook dba Upstate 105 Campus Drive  Oneonta NY 13820	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Philadelphia Indemnity Insurance	
	INSURER B: The Hartford	00914
	INSURER C:	
	INSURER E:	

COVERAGES CERTIFICATE NUMBER: CL1731530180 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			PHPK1518356	7/1/2016	7/1/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Employee Benefits \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			PHPK1518356	7/1/2016	7/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB547390	7/1/2016	7/1/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Builders Risk			01MSZB9458	12/19/2016	12/19/2017	Replacement Buildings 2&3 3,800,000
A	Property			PHPK1518356	7/1/2016	7/1/2017	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Manufacturers and Traders Trust Company are included as Mortgagee and Loss Payee.

30 Days Written Cancellation Notice

CERTIFICATE HOLDER	CANCELLATION
Otsego County Capital Resource Corporation 189 Main Street 5th Floor Oneonta, NY 13820	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE M Christian/KELBAR <i>M C Christian</i>

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# New York State Insurance Fund

Workers' Compensation & Disability Benefits Specialists Since 1914

2001 PERIMETER ROAD EAST, BUILDING 16, ENDICOTT, NEW YORK 13760-7390

## CERTIFICATE OF WORKERS' COMPENSATION INSURANCE (RENEWED)

\*\*\*\*\* 150539129  
SPRINGBROOK NY INC  
105 CAMPUS DR  
ONEONTA NY 13820



Scan to Validate

<b>POLICYHOLDER</b> SPRINGBROOK NY INC 105 CAMPUS DR ONEONTA NY 13820
--

<b>CERTIFICATE HOLDER</b>
---------------------------

<b>POLICY NUMBER</b> E2083 104-6	<b>CERTIFICATE NUMBER</b> 593589	<b>POLICY PERIOD</b> 09/01/2016 TO 09/01/2017	<b>DATE</b> 8/15/2016
-------------------------------------	-------------------------------------	--	--------------------------

THIS IS TO CERTIFY THAT THE POLICYHOLDER NAMED ABOVE IS INSURED WITH THE NEW YORK STATE INSURANCE FUND UNDER POLICY NO. 2083 104-6, COVERING THE ENTIRE OBLIGATION OF THIS POLICYHOLDER FOR WORKERS' COMPENSATION UNDER THE NEW YORK WORKERS' COMPENSATION LAW WITH RESPECT TO ALL OPERATIONS IN THE STATE OF NEW YORK, EXCEPT AS INDICATED BELOW, AND, WITH RESPECT TO OPERATIONS OUTSIDE OF NEW YORK, TO THE POLICYHOLDER'S REGULAR NEW YORK STATE EMPLOYEES ONLY.

IF YOU WISH TO RECEIVE NOTIFICATIONS REGARDING SAID POLICY, INCLUDING ANY NOTIFICATION OF CANCELLATIONS, OR TO VALIDATE THIS CERTIFICATE, VISIT OUR WEBSITE AT [HTTPS://WWW.NYSIF.COM/CERT/CERTVAL.ASP](https://www.nysif.com/cert/certval.asp). THE NEW YORK STATE INSURANCE FUND IS NOT LIABLE IN THE EVENT OF FAILURE TO GIVE SUCH NOTIFICATIONS.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS NOR INSURANCE COVERAGE UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY.

NEW YORK STATE INSURANCE FUND

DIRECTOR, INSURANCE FUND UNDERWRITING

VALIDATION NUMBER: 834937588



# Memorandum

TO: Springbrook NY, Inc.  
FROM: Citizens Bank, N.A., as administrative agent  
DATE: March 27, 2017  
RE: Closing Statement and Instructions for:

**Up to aggregate principal amount \$10,500,000.00**  
Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017  
Direct Bank Placement – Tax Exempt

\*\*\*\*\*

This memorandum documents the flow of funds and payment instructions in conjunction with the above referenced issue to occur on Monday, March 27, 2017. Unless otherwise noted, all funds will be delivered in same day funds (Federal Funds). In order for the closing to be successfully completed, all payments must occur in the matter noted.

Pre-closing of the transaction will occur on Friday, March 24, 2017.

- I. Sources and Uses of Funds – Summary
- II. Draw for Cost to be Paid at Closing
- III. Disbursement of Funds – Costs of Issuance Detail

Attachment:  
A) Closing Invoices

## I. SOURCES AND USES OF FUNDS

### Sources of Funds:

Series 2017	<u>\$10,500,000</u>
<b>Total</b>	<b>\$10,500,000</b>

### Uses of Funds:

Construction	9,936,000
Capitalized Interest	198,000
COI/ Other Expenses	<u>366,000</u>
<b>Total Uses of Funds</b>	<b>10,500,000</b>

**Cost of Issuance Detail**

Bond Counsel	71,900.00
Bank Counsel	39,500.00
Bank Upfront Fee	26,350.00
Borrower's Counsel	35,000.00
Appraisal	7,800.00
Survey	14,295.00
Issuer Counsel	10,000.00
Trustee Fee/Counsel Fee	9,000.00
Public Notice Fee	267.26

**Other Delivery Date Expenses**

OCCRC Fee	105,000.00
Title Insurance	22,477.00
Recording Fees	375.00

**Total COI and Expenses**      **\$341,964.26**

**II.      CITIZENS BANK DRAW FOR COST OF ISSUANCE**

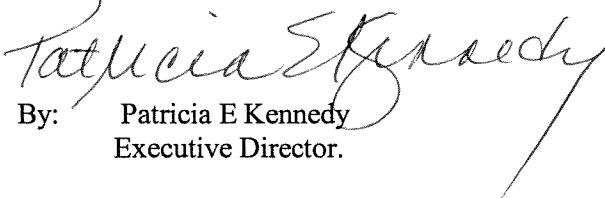
On March 27, 2017, Citizens Bank will draw in the amount of ~~\$341,964.26~~ <sup>2,079,131.59</sup> from the **Series 2017 A Bonds** in order to pay costs associated with 2017 Direct Placement. Total funds available at closing are represented in the following amounts:

**Funds Available at Closing:**

Cost of Issuance to be Paid at Closing	\$341,964.26
Project costs incurred reimbursed to Springbrook	<u>\$1,737,167.33</u>
<b>Cost of Issuance and Additional Proceeds:</b>	<b>\$2,079,131.59</b>

Approved:

Springbrook NY, Inc.

  
By: Patricia E Kennedy  
Executive Director.

### III. DISBURSEMENT OF CLOSING COSTS AND PROJECT COSTS

On March 27, 2017, Citizens Bank will wire **\$2,079,131.59** for closing costs and reimbursement of eligible projects costs to the following parties, consisting of the following:

**Note: Wiring Instructions can be found on the following page.**

#### **Cost of Issuance Detail**

Bond Counsel	71,900.00
Bank Counsel	39,500.00
Bank Upfront Fee	26,350.00
Borrower's Counsel	35,000.00
Appraisal	7,800.00
Survey	14,295.00
Issuer Counsel	10,000.00
Trustee Fee/Counsel Fee	9,000.00
Public Notice Fee	267.26

#### **Other Delivery Date Expenses**

OCCRC Fee	105,000.00
Title Insurance	22,477.00
Recording Fees	375.00

**Total COI and Expenses        \$341,964.26**

#### **Project Reimbursed Expenses to Springbrook**

**House 1:                                \$1,737,167.33**

**Total COI, Expenses and Project Costs Paid at Closing \$2,079,131.59**

**Wire Instructions:**

1. Kurt Schulte, ESQ.	Issuer counsel	\$10,000	Wire to:  Bank: Community Bank, N.A. ABA #: 021307559 Acc. #: 0010918582 Acc. Name: Kurt D. Schulte, IOLA Account
2. M & T Investment Group	Trustee Acceptance Fee	\$2,000	Wire to:
	Trustee Annual Fee:		Bank: M & T Bank
	Bond A	\$1,000	ABA: 031100092
	Bond B:	\$1,000	Acc #:
	Bond C:	\$1,000	Acc. Name: Springbrook
	Trustee Counsel Fee	<u>\$4,000</u>	Att: Maureen Auld
	Total	\$9,000	
3. Citizens Bank	Upfront Fee	\$26,350	Wire to: Internal Transfer
	Appraisal fee	<u>\$ 7,800</u>	
	Total:	\$34,150	
4) Barclay Damon	Bank Counsel	\$39,500	Wire to:  Bank: Key Bank National Association  ABA: 021300077  Acc. #: 329681022391  Ref: 303737-3029501

5) Hodgson Russ	Bond Counsel:	\$71,900	Wire to:
			Bank: Manufacturers and Traders Trust Company
			ABA: 022000046
			Acc. #: 64345
			Ref: 059346.00007
6) Bond Schoeneck and King	Borrower Counsel:	\$32,500	Wire to:
	Related fees	\$ <del>6</del> -	
	Disbursements	<u>\$ 2,500</u>	Bank: Citizens Bank
	Total	\$35,000	ABA: 021313103
			Acc. #: 4001354216
			Ref: Springbrook NY, Inc. (Matter # 820280)
7) Stewart Title Insurance Co.,	Title Insurance	\$22,477	Wire to:
			Bank: Bank of America, N.A.
			ABA: 026009593
			Acc. #:483039094057
			Acc Name: Stewart Title Insurance Company Advance Premium Account

7) Otsego County Capital Resource Corporation	Issuer	\$105,267.26	Wire to: Bank: Community Bank ABA: 021307559 Acc. #: 10971777
8) Springbrook NY, Inc.	Borrower - project	\$1,737,167.33	Wire to:
	Survey (COI)	<u>\$14,295</u>	Internal Transfer:
	Total	\$1,751,462.33	Account #: 4008625207

**Total Costs of Issuance / Project Costs: \$2,079,131.59**

**KURT D. SCHULTE, ESQ.  
12 CLUB AVENUE  
ONEONTA, NEW YORK 13820**

March 27, 2017

Springbrook NY, Inc.  
2705 State Highway #28  
Oneonta, New York 13820-9753

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,850,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,150,000

**STATEMENT**

**FOR LEGAL SERVICES RENDERED** as Issuer Counsel to Otsego County Capital Resource Corporation (the "Issuer") in connection with the above captioned Project, including, but not limited to the following: the review of various documents relating to the transaction; telephone conferences with the Issuer's Bond Counsel; attendance at various meetings of the Issuer relating to the transaction; and delivery of an opinion of counsel relative to the transaction.

**LEGAL FEES: \$10,000.00**

**WIRE TRANSFER INFORMATION:**

Bank:  
Community Bank, NA  
245 Main St. PO Box 430  
Oneonta NY 13820

Routing #: 021307559

Account title: Kurt D. Schulte, IOLA Account

Account #: 0010918582

**STATEMENT**

Otsego County Capital Resource Corporation (the "Issuer") in connection with the above captioned Project, including, but not limited to the following: the review of various documents relating to the transaction; telephone conferences with the Issuer's Bond Counsel; attendance at various meetings of the Issuer relating to the transaction; and delivery of an opinion of counsel relative to the transaction.

REVISED

**Manufacturers and Traders Trust Company**  
**Corporate Trust Department, 7th Floor**  
**One M&T Plaza, Buffalo, New York 14203**

**DATE: 3/24/2017**

TO: Springbrook NY, Inc.  
2705 State Highway #28  
Oneonta, New York 13820  
Attention: Patricia Kennedy, CEO

**For Services Rendered in connection with the:**

---

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
(a not-for-profit corporation of the State of New York)  
TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE BOND  
(THE SPRINGBROOK NY, INC. PROJECT), SERIES 2017 A & B

Trustee Fee:

Acceptance Fee: \$ 2,000.00

Trustee Annual Fee:

Series A: \$ 1,000.00

Series B: \$ 1,000.00

Series C: \$ 1,000.00

Trustee Counsel Fee: \$ 4,000.00

**\$ 9,000.00 Total Due**

**Please wire to:**

M&T Bank  
ABA # 031100092  
A/C Name: Springbrook  
Attn: Maureen A. Auld



CONTI APPRAISAL  
& CONSULTING, LLC ✓  
[www.contiappraisal.com](http://www.contiappraisal.com)

INVOICE FOR APPRAISAL SERVICES RENDERED

Date: December 2, 2016

File No.: 163968

Mr. Michael Shand  
Vice President, Senior Appraisal Reviewer  
Real Estate Risk Services  
100 Sockanosset Cross Road, RDC384D  
Cranston, RI 02920

RE: Educational Facility  
5588 State Highway 7  
Town of Oneonta, Otsego County, New York  
RERS FILE NUMBER - 31201665609, P.O. #: 572083 ✓

For the investigation, analysis and preparation of the above-referenced appraisal report:

Amount due: \$6,000 (Six Thousand Dollars).  
✓

Please make check payable to: Conti Appraisal & Consulting, LLC  
Federal Tax ID #: 75-3103687

Thank you.

Receipt 242654  
12-02-16

<b>FROM:</b>  LONNIE RIDGWAY ASSOCIATES 207 HERITAGE HILL RD ONEONTA, NY 13820  Telephone Number:                      Fax Number:		<h1>INVOICE</h1>	
<b>TO:</b>  CITIZENS BANK RISK SERVICES 100 SOCKANOSSET CROSS RD RDC384D CRANSTON , RI 02920 Telephone Number:                      Fax Number: Alternate Number:                      E-Mail:		<b>INVOICE NUMBER</b>  <b>DATE</b> 11/30/16  <b>REFERENCE</b> Internal Order #: Lender Case #: Client File #: Main File # on form: 16-285 Other File # on form: SEE BELOW Federal Tax ID: Employer ID: 087-44-4920	
<b>DESCRIPTION</b>			
Lender: CITIZENS BANK RISK SERVICES		Client: CITIZENS BANK RISK SERVICES	
Purchaser/Borrower: SPRINGBROOK NY INC			
Property Address: 1) 424 CO. HIGHWAY 9, 2) 20 WALNUT ST, 3) 29 FORD AVE, 4) 333 MAIN ST, 5) 10 COOK ST			
City: 1) ONEONTA, 2) ONEONTA, 3) ONEONTA, 4) OTEGO, 5) WORCESTER			
County: OTSEGO		State: NY	Zip: 13820/13825/12197
Legal Description:			
<b>FEES</b>			<b>AMOUNT</b>
RERS ORDER #S 31201665619, 31201665620, 31201665621, 31201665622, 3126655623			1,800.00
<i>Receipt 244786</i>			<b>SUBTOTAL</b>
			1,800.00
<b>PAYMENTS</b>			<b>AMOUNT</b>
Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
<b>SUBTOTAL</b>			0
<b>TOTAL DUE</b>			<b>\$ 1,800.00</b>

**BARCLAY DAMON** <sup>LLP</sup>

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, NY 13202

March 22, 2017  
Invoice No: 4540274  
File No. 303737-3029501  
Jean S. Everett

Re: Bank Counsel / LOC Springbrook NY, Inc.

FOR LEGAL SERVICES RENDERED in connection with the representation of Citizens Bank, N.A. with respect to its purchase of Series 2017A, 2017B and 2017C Bonds including drafting the Continuing Covenants Agreement, Building Loan Mortgage and other documents required for the transaction, review and negotiation of the supplements to Indenture and Loan Agreement, attendance to correspondence and numerous telephone calls, attendance to the closing and closing follow-up, and other miscellaneous services.

**Total Fees** **39,500.00**

**Total Current Fees and Costs** **USD 39,500.00**

ADDITIONAL INFORMATION

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Prior Unpaid Balance due to Barclay Damon, LLP 0.00

March 22, 2017  
Invoice No. 4540274  
File No. 303737-3029501  
Citizens Bank, N.A.

**BARCLAY DAMON** <sup>LLP</sup>

**Remittance Copy**

March 22, 2017  
Invoice No: 4540274  
File No. 303737-3029501  
Citizens Bank, N.A.

	<b>AMOUNT</b>
<b>Total Current Fees and Costs</b>	<b>39,500.00</b>
Prior Unpaid Balance due to Barclay Damon, LLP	0.00
<b>Total Payment Enclosed</b>	<b>_____</b>

***Payment Due Upon Receipt in US Dollars***

Please remit payment to:

Barclay Damon LLP  
P.O. Box 1265  
Albany, NY 12201-1265

**Instructions for payment by wire transfer are:**

Bank Name: Key Bank National Association  
Bank Address: 201 South Warren St., Syracuse, NY 13202  
Bank Telephone Number: (800) 821-2829  
Reference Name/number: 303737-3029501  
ABA#: 021300077  
Account #: 3296 8102 2391  
Swift Code for International Wire: KEYBUS33

**When remitting by wire please notify us by email at "payments@barclaydamon.com" identifying which invoice(s) is being paid.**

March 27, 2017  
AJS/0320  
059346.00007

Springbrook NY, Inc.  
105 Campus Drive  
Oneonta, New York 13820-9753

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

STATEMENT

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FOR ALL LEGAL SERVICES rendered as Bond Counsel to Otsego County Capital Resource Corporation (the "Issuer") relative to the issuance of its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,850,000; (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000; and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,150,000, including structuring the transaction, attendance at numerous conference calls, preparation of documentation pertaining to such bond issue and the issuance of our approving opinion in connection therewith at the closing on March 27, 2017.

**LEGAL FEES:** **\$63,000**

FOR ALL LEGAL SERVICES rendered as Bond Counsel in connection with the amendments to the Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Springbrook NY, Inc. Project), Series 2010A and the Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2012A relating to the determination and adjustment of interest rates on such bonds.

**LEGAL FEES:** **\$15,000**

**COURTESY ADJUSTMENT:** **(7,500)**

**TOTAL LEGAL FEES:** **\$70,500**

**DISBURSEMENTS (ESTIMATED AND TO DATE):**

Est. Cost of Production of Transcripts	675.00	
Document Reproduction	391.77	
Travel	173.77	
Federal Express/Courier Service	117.73	
Postage	30.56	
Long Distance Telephone calls	9.17	
Faxes	<u>2.00</u>	
<b>Total Disbursements:</b>		<b><u>\$1,400.00</u></b>
<b>TOTAL FEES AND DISBURSEMENTS:</b>		<b>\$71,900.00</b>

**WIRE TRANSFER INFORMATION**

Bank - Manufacturers and Traders Trust Company  
Buffalo New York  
ABA #022000046  
Account Name- Hodgson Russ LLP  
Regular Account Number #6-434-5  
Wire Reference - 059346.00007  
Wire Contact: Sandy Pulli Ext. 1378

March 23, 2017

SPRINGBROOK NY, INC.  
2705 STATE HIGHWAY #28  
ONEONTA, NY 13820-9753

**COUNTY OF OTSEGO CAPITAL RESOURCE CORPORATION UP TO \$5,550,000,  
\$500,000 AND \$4,450,000 TAX-EXEMPT MULTI-MODE VARIABLE RATE REVENUE  
BONDS (SPRINGBROOK NY, INC. PROJECT), SERIES 2017A, SERIES 2017B AND  
SERIES 2017C, RESPECTIVELY (COLLECTIVELY, THE "BONDS")  
820280**

For services rendered in connection with (i) the issuance of the above-referenced Bonds, including, but not limited to, conferences and correspondence with Springbrook NY, Inc., counsel for County of Otsego Capital Resource Corporation and Citizens Bank, N.A., review of documents in connection with the issuance of the Bonds and issuance of legal opinions at closing required for Springbrook NY, Inc. and (ii) review of documents for revolving line of credit and correspondence with counsel for Citizens Bank, N.A.

<b>Fees</b>	<b>\$32,500.00</b>
<b>Disbursements (including title/UCC/litigation searches and good standing certificates)</b>	<b><u>\$2,500.00</u></b>
<b>Total:</b>	<b>\$35,000.00</b>

Use the following instructions to wire funds for credit to Bond, Schoeneck & King, PLLC Commercial Checking Account for payment of this bill:

ABA #: 021300077  
Bank: KeyBank, 201 South Warren St., Syracuse, NY 13202  
Account #: 329681047489 Bond, Schoeneck & King, PLLC  
Reference: Bill Number  
SWIFT #: KEYBUS33 (for international wires only)  
Reference: Springbrook NY, Inc. (Matter 820280)

Wire Instructions

ABA #: 021313103

Bank: Citizens Bank, 833 Broadway, Albany, New York 12207

Account #: 4001354216

Account Name: Bond, Schoeneck & King, PLLC Escrow Account

Attention: Sarah Belcher

Matter No. 820280

Client Name: Springbrook

Recording/filing fees = \$375



# stewart title

Real partners. Real possibilities.™

SYRACUSE OFFICE  
333 E. Onondaga Street  
Syracuse, NY 13202  
Tel. (315)472-4761  
Fax. (315)472-3964  
E-mail: Syracuse@stewart.com

Please remit payment to:  
Stewart Title Insurance Co.  
47 West Main Street  
Rochester NY 14614  
Attn. Finance Office

INVOICE	
Bill Date	12/14/2016
Post Date	
Invoice No.	303462131
Customer No.	2934
Page No.	1 of 1
Invoice Total	\$22,477.00

## CUSTOMER

Bond, Schoeneck & King, PLLC  
One Lincoln Center  
110 West Fayette Street  
Syracuse, NY 13202-1355  
Attn: Kevin Pole, Esq.

## REFERENCE INFORMATION

Order No. 30-346213      Cust. Reference: 12/14/2016  
Abstract / Title Ins No.  
Seller  
Buyer/Borrower Springbrook NY, Inc.      303462131  
Property - ST HWY 28, Town of Milford, OTSEGO County      2934  
- CO HWY 44, Town of Milford, OTSEGO County      1 of 1

## SERVICES PROVIDED

Description	Amount
AE9 TIRSA Endorsement 9 (Restrictions, Encroachments, Minerals) - 401 Policy Number: Transaction Code:401 Amount of Insurance:\$10,500,000.00	\$2,775.00
CR Closing Contin./Redate	\$125.00
MII Mortgage Insurance - 1st Policy Number: Transaction Code:234 Amount of Insurance:\$10,500,000.00	\$19,427.00
TAE TIRSA Access Endorsement (Loan Policy Only) (10/22/99) Policy Number: Transaction Code:441 Amount of Insurance:\$10,500,000.00	\$25.00
TE TIRSA EPL (8.1) (4/24/01) Policy Number: Transaction Code:429 Amount of Insurance:\$10,500,000.00	\$25.00
TLSASE TIRSA Land Same As Survey Endorsement (9/1/93) (Mortgage) Policy Number: Transaction Code:425 Amount of Insurance:\$10,500,000.00	\$25.00
TMTE TIRSA Mortgage Tax Endorsement (12/27/00) Policy Number: Transaction Code:443 Amount of Insurance:\$10,500,000.00	\$25.00
TTPEMTOTL TIRSA Tax Parcel Endorsement (more than one tax lot) (Loan Policy Only) (12/27/00) Policy Number: Transaction Code:445 Amount of Insurance:\$10,500,000.00	\$25.00
TWOAELP TIRSA Waiver of Arbitration Endorsement (Loan Policy) (4/24/01) Policy Number: Transaction Code:431 Amount of Insurance:\$10,500,000.00	\$25.00
EC Amount: \$13,411.20	Subtotal: \$22,477.00
* Taxable	Sales Tax 8.000% \$0.00
<b>Please pay this amount. INVOICE TOTAL \$22,477.00</b>	

Please remit a copy of this invoice with your check made payable to Stewart Title Insurance Company. Thank you.

3/8/2017



47 West Main Street  
Rochester, NY 14614  
(585) 232-4950  
Fax (585) 232-4984  
stewartnewyork.com  
NYSE: STC

## BANK WIRING INSTRUCTIONS

### ADVANCE PREMIUM ACCOUNT

Account Name: STEWART TITLE INSURANCE COMPANY  
ADVANCE PREMIUM ACCOUNT  
47 WEST MAIN STREET  
ROCHESTER, NEW YORK 14614

Account Number: 483039094057

Bank Name: BANK OF AMERICA, N.A.  
1 EAST AVENUE  
ROCHESTER, NEW YORK 14638

ABA Number: 026009593

Reference: Title No./Owner/Property/Name of Transaction

Account

Please contact Kathleen M. Borrelli at (585) 232-2070 should you require any additional information or encounter any wire transfer problems.

Acc.

Bank

ABA

Ref.

Account

Phone

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION  
189 MAIN STREET, SUITE 500  
ONEONTA, NEW YORK 13820

March 27, 2017

Springbrook NY, Inc.  
105 Campus Drive  
Oneonta, New York 13820-9753  
Attention: Patricia Kennedy, Chief Executive Officer

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,850,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project, Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project, Series 2017C  
in the aggregate principal amount of up to \$4,150,000

STATEMENT

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AS THE UPFRONT ADMINISTRATIVE FEE due in connection with The Springbrook NY, Inc. Project (1% of the face amount of the referenced bonds (\$10,500,000)).

ADMINISTRATIVE FEE:	\$105,000.00
Expenses – PH Notice Publication	<u>267.26</u>
<b>TOTAL FEES DUE:</b>	<b>\$105,267.26</b>

WIRE TRANSFER INFORMATION

Community Bank  
Routing number 021-307559  
Account number 10971777

**Lawson Surveying & Mapping**

2959 County Route 8  
Oneonta, N.Y. 13820

~  
(607)432-3300

Springbrook  
c/o Joan Marshall  
Bond, Schoenck & King  
111 Washington Avenue  
Albany, New York 12210-2211

December 7, 2016

Invoice No.: 5771-1

*For Professional Services:*

**RE: Springbrook  
Main Campus  
N.Y.S. Route 28, Town of Milford, Otsego County, New York**

Certified Boundary Survey \$ 14,295.00

---

**Balance Due : \$ 14,295.00**

**Federal Tax ID. No.: 16-145-6567**

- *Balance due upon receipt of this invoice.*

- *Thank you for your earliest attention.*

14,295.00

Springbrook - Residence I

Account	Post date	Paid Date	Journal reference	Transaction Amount
01-090-116955	6/15/2015		CHIANIS & -PENTHOUSE	\$49,974.12
01-090-116955	7/14/2015		CHIANIS & -PROFESSIONAL SERVICES	\$34,512.20
01-090-116955	7/30/2015		KAATSKILL -SURVEY SERVICES- PENTHOUSE	\$4,350.00
01-090-116955	8/28/2015		CHIANIS & -PROFESSIONAL SERVICES- PENTHOUSE	\$55,441.83
01-090-116955	9/14/2015		KAATSKILL -PENTHOUSE REPLACEMENT	\$750.00
01-090-116955	9/17/2015		CHIANIS & -PENTHOUSE	\$6,693.75
01-090-116955	9/29/2015		TOWN OF MI-PERMIT FOR PENTHOUSE	\$1,531.00
01-090-116955	9/29/2015		TOWN OF MI-PERMIT FOR GARAGE REPLACEMENT	\$299.52
01-090-116955	10/17/2015		CHIANIS & -PENTHOUSE	\$10,508.25
01-090-116955	11/13/2015		CHIANIS & -PENTHOUSE	\$1,442.44
01-090-116955	11/30/2015	1/6/2016	UPSTATE CO-RESIDENT HOME REPLACEMENT - PENTHOUSE	\$147,600.00
01-090-116955	12/16/2015	1/6/2016	UPSTATE CO-RESIDENT HOUSE REPLACEMENT- PENTHOUSE	\$272,160.00
01-090-116955	1/18/2016		ERIE MATER-PENTHOUSE	\$5,158.72
01-090-116955	1/20/2016	1/27/2016	UPSTATE CO-PENTHOUSE	\$263,520.00
01-090-116955	1/23/2016		LAKESIDE E-CAMPUS HOUSE REPLACEMENT	\$3,375.00
01-090-116955	2/1/2016		THE HARTFO-14311784	\$4,921.00
	2/12/2016		BOND RESOLUTION	
01-090-116955	2/29/2016		CITIZENS B-880-8803197409-00232 - INTEREST	\$660.33
01-090-116955	3/9/2016		UPSTATE CO-RESIDENT HOUSE REPLACEMENT	\$289,080.00
01-090-116955	3/17/2016		UPSTATE CO-RESIDENT HOUSE REPLACEMENT PENTHOUSE	\$230,940.00
01-090-116955	3/31/2016		CITIZENS B-880-8803197409-00232 - INTEREST	\$1,581.86
01-090-116955	4/13/2016		LAKESIDE E-NEW HOUSE	\$3,000.00
01-090-116955	4/30/2016		CITIZENS B-880-8803197409-00232 - INTEREST	\$1,630.15
01-090-116955	4/30/2016		S&S T.V. &-NEW BUILDING	\$9,192.00
01-090-116955	4/30/2016		RICHARD PLOUTZ-TRACTOR-SUPPLY-CO #065-	\$263.92
01-090-116955	4/30/2016		RICHARD PLOUTZ-MUNSONS TV HARDWARE-	\$71.79
01-090-116955	4/30/2016		RICHARD PLOUTZ-BRANDOW'S FEED & S-	\$79.90
01-090-116955	4/30/2016		RICHARD PLOUTZ-TRACTOR-SUPPLY-CO #065-	\$321.86
01-090-116955	4/30/2016		RICHARD PLOUTZ-BRANDOW'S FEED & S-	\$79.90
01-090-116955	4/30/2016		RICHARD PLOUTZ-TRACTOR-SUPPLY-CO #065-	\$287.41
01-090-116955	4/30/2016		THOMAS FORD-LOWES #01967*-	\$559.44
01-090-116955	4/30/2016		THOMAS FORD-LOWES #01967*-	(\$41.44)

01-090-116955	5/9/2016	WHITE HOUS-PENTHOUSE REPLACEMENT	\$3,000.00
01-090-116955	5/10/2016	C.H. BRIGG-REPLACEMENT HOUSE	\$273.12
01-090-116955	5/13/2016	DEBORAH TE-INTERIOR DESIGN CONSULT	\$275.00
01-090-116955	5/18/2016	LAKESIDE E-REPLACEMENT HOUSE	\$2,824.02
01-090-116955	5/31/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$1,479.97
01-090-116955	5/31/2016	DARYL REYNOLDS-DROGEN WHOLESale ELECT-	\$106.75
01-090-116955	5/31/2016	SEWARD SAN-BROWN MULCH	\$957.25
01-090-116955	5/31/2016	ST. TIMOTH-REPLACEMENT HOUSE FURNITURE	\$10,329.66
01-090-116955	6/6/2016	ROBERT ZID-REPLACEMENT HOUSE	\$405.00
01-090-116955	6/8/2016	UPSTATE CO-RESIDENT HOUSE REPLACEMENT	\$83,700.00
01-090-116955	6/20/2016	WHITE HOUS-REPLACEMENT HOUSE	\$3,000.00
01-090-116955	6/20/2016	WHITE HOUS-REPLACEMENT HOUSE	\$250.00
01-090-116955	6/30/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$1,541.17
01-090-116955	6/30/2016	ROBERT ZID-REPLACEMENT HOUSE	\$290.00
01-090-116955	6/30/2016	GUY DAVIS-LOWES #01967*-Replacement House	\$154.90
01-090-116955	6/30/2016	GUY DAVIS-LOWES #01967*-Replacement House	\$134.96
01-090-116955	6/30/2016	GUY DAVIS-LOWES #01967*-Replacement House	\$17.93
01-090-116955	6/30/2016	GUY DAVIS-MUNSONS TV HARDWARE-Replacement House	\$52.93
01-090-116955	6/30/2016	JAMES DUTCHER-HOME DEPOT #6173-Replacement House	\$199.76
01-090-116955	6/30/2016	JAMES DUTCHER-HOME DEPOT #6173-Replacement House	\$183.89
01-090-116955	6/30/2016	JAMES DUTCHER-HOME DEPOT #6173-Replacement House	\$9.94
01-090-116955	6/30/2016	JEFFREY DUTCHER-HOME DEPOT #6173-Replacement House	\$119.90
01-090-116955	6/30/2016	JEFFREY DUTCHER-HOME DEPOT #6173-Replacement House	\$358.00
01-090-116955	7/27/2016	ZS SECURIT-DOOR SYSTEM INSTALL REPLACEMENT HOUSE	\$7,000.00
01-090-116955	7/27/2016	UPSTATE CO-PENTHOUSE REPLACEMENT	\$155,241.45
01-090-116955	7/31/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$660.33
01-090-116955	7/31/2016	ADJ-CITIZENS B-880-8803197409-00232 - INTEREST	\$1,598.36
01-090-116955	7/31/2016	REV-ADJ-CITIZENS B-880-8803197409-00232 - INTEREST	(\$660.33)
01-090-116955	7/31/2016	BR JOHNSON-REPLACEMENT HOUSE	\$323.94
01-090-116955	7/31/2016	ROBERT ZID-REPLACEMENT HOUSE	\$1,707.54
01-090-116955	7/31/2016	GUY DAVIS-LOWES #01967*-	\$83.44
01-090-116955	7/31/2016	GUY DAVIS-DROGEN WHOLESale ELECT-	\$91.07
01-090-116955	7/31/2016	GUY DAVIS-LOWES #01967*-	\$149.00
01-090-116955	7/31/2016	JAMES MURDOCH-BRANDOW'S FEED & S-	\$47.94

01-090-116955	7/31/2016	JEFFREY DUTCHER-MUNSONS TV HARDWARE-	\$219.65
01-090-116955	7/31/2016	JEFFREY DUTCHER-MUNSONS TV HARDWARE-	\$21.49
01-090-116955	7/31/2016	JEFFREY DUTCHER-MUNSONS TV HARDWARE-	\$8.00
01-090-116955	7/31/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$69.70
01-090-116955	8/18/2016	ZS SECURIT-FIRE ALARM TESTING	\$1,112.50
01-090-116955	8/18/2016	AIR TEMP H-REPLACEMENT HOUSE	\$262.00
01-090-116955	8/30/2016	ZS SECURIT-REPLACEMENT HOUSE	\$3,240.06
01-090-116955	8/30/2016	ZS SECURIT-REPLACEMENT HOUSE	\$8,499.73
01-090-116955	8/30/2016	ZS SECURIT-REPLACEMENT HOUSE	\$2,321.94
01-090-116955	8/30/2016	AIR TEMP H-REPLACEMENT HOUSE	\$1,443.91
01-090-116955	8/30/2016	ABM FIRE E-FIRE SPRINKLER SYSTEM	\$225.00
01-090-116955	8/31/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$1,614.45
01-090-116955	8/31/2016	GUY DAVIS-DROGEN WHOLESALE ELECT-	\$66.66
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	\$68.43
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	\$17.38
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	\$259.00
01-090-116955	8/31/2016	GUY DAVIS-DROGEN WHOLESALE ELECT-	\$125.83
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	\$40.24
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	\$448.17
01-090-116955	8/31/2016	GUY DAVIS-LOWES #01967*-	(\$33.20)
01-090-116955	9/20/2016	ZS SECURIT-REPLACEMENT HOUSE/GRANDVIEW/OXFORD	\$839.91
01-090-116955	9/20/2016	AIR TEMP H-REPLACEMENT HOUSE	\$375.43
01-090-116955	9/30/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$537.15
01-090-116955	9/30/2016	BR JOHNSON-REPLACEMENT HOUSE	\$1,442.09
01-090-116955	9/30/2016	GUY DAVIS-LOWES #01967*-	\$125.49
01-090-116955	9/30/2016	GUY DAVIS-LOWES #01967*-	\$21.18
01-090-116955	9/30/2016	GUY DAVIS-LOWES #01967*-	\$19.85
01-090-116955	9/30/2016	GUY DAVIS-LOWES #01967*-	\$12.91
01-090-116955	9/30/2016	JEFFREY DUTCHER-MUNSONS TV HARDWARE-	\$141.08
01-090-116955	9/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$505.47
01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$34.98
01-090-116955	9/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$18.96
01-090-116955	9/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$16.13
01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$414.36

01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$146.32
01-090-116955	9/30/2016	JEFFREY DUTCHER-SQ *DAVIES LOCKSHOP-	\$176.00
01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	(\$179.64)
01-090-116955	9/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$141.48
01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$66.19
01-090-116955	9/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$42.83
01-090-116955	9/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$118.86
01-090-116955	9/30/2016	WILLIAM HISKEY-MUNSONS TV HARDWARE-	\$31.98
01-090-116955	10/4/2016	FES INSTAL-REPLACEMENT HOUSE	\$1,456.00
01-090-116955	10/11/2016	THE HARTFORD-3012-16668	(\$1,147.00)
01-090-116955	10/25/2016	ONEONTA FE-REPLACEMENT HOUSE 8/26/2016	\$8,660.00
01-090-116955	10/31/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$1,528.64
01-090-116955	10/31/2016	JEFFREY DUTCHER-LOWES #01967*-	\$58.42
01-090-116955	10/31/2016	JEFFREY DUTCHER-LOWES #01967*-	\$52.32
01-090-116955	10/31/2016	JEFFREY DUTCHER-LOWES #01967*-	\$21.94
01-090-116955	11/1/2016	MODUFORM-SUSQUEHANNA	\$21,274.68
01-090-116955	11/16/2016	SCOTT R. U-SUSQUEHANNA	\$400.00
01-090-116955	11/21/2016	JB'S LINE -SUSQUEHANNA	\$1,100.00
01-090-116955	11/30/2016	CITIZENS B-880-8803197409-00232 - INTEREST	\$1,584.45
01-090-116955	11/30/2016	JEFFREY DUTCHER-CURTIS NEW BERLIN-	\$925.13
01-090-116955	11/30/2016	JEFFREY DUTCHER-LOWES #01967*-	\$222.77
01-090-116955	11/30/2016	JEFFREY DUTCHER-OFFICEMAX/OFFICEDEPOT6-	\$19.99
01-090-116955	11/30/2016	JEFFREY DUTCHER-THE HOME DEPOT #6173-	\$48.81
01-090-116955	11/30/2016	JEFFREY DUTCHER-SHERWIN WILLIAMS 70529-	\$29.43

01-090-116955	8/7/2015	NEW YORK L-UTILITY LOCATION SERVICE- PENTHOUSE	\$3,100.00
01-090-116955	9/29/2015	NYSEG-SERVICE NOT#10300165081- PENTHOUSE	\$374.00
01-090-116955	12/23/2015	MIRABITO F-900094- PENTHOUSE TO BE REIMBURSED	\$3,928.00
01-090-116955	12/24/2015	MIRABITO F-900094 PENTHOUSE TO BE REIMBURSED	\$1,681.61



01-090-116955	1/8/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$545.09
01-090-116955	1/13/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$1,007.62
01-090-116955	1/20/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$497.03
01-090-116955	1/20/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$717.57
01-090-116955	1/26/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$382.71
01-090-116955	1/30/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$611.58
01-090-116955	2/5/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$698.17
01-090-116955	2/10/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$442.66
01-090-116955	2/10/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REFUNDED	\$1,028.60
01-090-116955	2/17/2016	MIRABITO F-REPLACEMENT HOUSE TO BE REIMBURSED	\$420.71
01-090-116955	3/31/2016	NYSEG-1004-3602-282 NEW BUILDING	\$40.35
01-090-116955	3/31/2016	MIRABITO F-900094 - NEW BUILDING	\$124.97
01-090-116955	3/31/2016	MIRABITO F-900094 - NEW BUILDING	\$107.64
01-090-116955	3/31/2016	MIRABITO F-900094 - NEW BUILDING	\$167.43
01-090-116955	3/31/2016	WILLIAM GIESSE-NYSEG/EZ-PAY-NEW PENTHOUSE TO BE REIMBURSED	\$333.09
01-090-116955	4/7/2016	DISH NETWO-8255707083213640 REPLACEMENT HOUSE	\$88.27
01-090-116955	4/13/2016	MIRABITO F-900094 - NEW BUILDING	\$75.00
01-090-116955	4/15/2016	NYSEG-1004-2706-076 NEW HOUSE	\$145.17
01-090-116955	4/30/2016	MIRABITO F-900094 NEW PENTHOUSE	\$1,046.75
01-090-116955	4/30/2016	NYSEG-REPLACEMENT HOUSE 076 APRIL 16	\$145.17
01-090-116955	5/7/2016	DISH NETWO-8255707083213640 REPLACEMENT HOUSE	\$88.27
01-090-116955	5/31/2016	MIRABITO F-REPLACEMENT HOUSE	\$270.62
01-090-116955	6/30/2016	JACK SIENKIEWICZ-AUTOPAY/DISH NTWK-Dish TV for New Replacement Hou	\$88.27
01-090-116955	7/31/2016	JACK SIENKIEWICZ-AUTOPAY/DISH NTWK-Dish TV for New Replacement Hou	\$88.30
01-090-116955	8/7/2016	DISH NETWO-8255707083213640 REPLACEMENT HOUSE PENTHOUSE	\$88.30
01-090-116955	8/31/2016	NYSEG-10042706076 PENTHOUSE LANE	\$307.14
01-090-116955	8/31/2016	JACK SIENKIEWICZ-AUTOPAY/DISH NTWK-Dish TV for New Replacement Hou	\$88.30
01-090-116955	9/30/2016	NYSEG-10042706076 REPLACEMENT HOUSE	\$375.66



**ON FILE WITH BOND COUNSEL**

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**SPRINGBROOK NY, INC.**

in favor of

**CITIZENS BANK, N.A.**, as Administrative Agent

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**ENVIRONMENTAL INDEMNITY AGREEMENT**

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Dated as of March 1, 2017

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Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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## ENVIRONMENTAL INDEMNITY AGREEMENT

**THIS ENVIRONMENTAL INDEMNITY AGREEMENT** (this “Agreement”) is made as of March 1, 2017, by and between **SPRINGBROOK NY, INC.**, a not-for-profit corporation organized under the laws of the State of New York having an office at 2705 State Highway 28, Oneonta, New York 13820-9753 (the “*Institution*”), and **CITIZENS BANK, N.A.**, a national banking association having an office at 250 South Clinton Street, Syracuse, New York 13202 as administrative agent (the “*Agent*”) for Citizens Funding Corp. (the “*Holder*”) as holder of the Series 2017 Bonds (as defined hereinbelow).

THE MEANING OF CAPITALIZED TERMS (NOT OTHERWISE DEFINED) CAN BE DETERMINED BY REFERENCE TO ARTICLE 2 OF THE CONTINUING COVENANTS AGREEMENT DESCRIBED HEREINBELOW.

### WITNESSETH:

**WHEREAS**, the Institution is the owner in fee simple of the land (the “*Land*”) and improvements thereon, more fully described on Schedule A attached hereto; and

**WHEREAS**, the Institution has requested Otsego County Capital Resource Corporation (the “*Issuer*”) issue one or more series of bonds under the terms and conditions more fully set forth in a Trust Indenture dated as of September 1, 2010 (as amended or supplemented to the date hereof, the “*Initial Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the “*Trustee*”) and a Series 2017 Supplemental Indenture dated as of March 1, 2017 (the “*Series 2017 Supplemental Indenture*” and collectively with the Initial Indenture, the “*Indenture*”), by and between the Issuer and the Trustee with consent thereto by the Institution to assist it with the financing of, among other things, a portion of the costs of the construction and equipping on the Institution’s main campus (the “*Main Campus*”) located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “*Land*”) of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “*Residence Project*”), and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the “*Network Project*” and collectively with the Residence Project, the “*Project*”); all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

**WHEREAS**, the Issuer has determined to issue the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A (the “*Series 2017A Bonds*”) in the up to aggregate principal amount of \$5,550,000; the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B (the “*Series 2017B Bonds*”) in the up to aggregate principal amount of \$500,000; and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook

NY, Inc. Project), Series 2017C (the “*Series 2017C Bonds*” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “*Series 2017 Bonds*”) in the up to aggregate principal amount of \$4,450,000, under the terms and conditions more fully set forth in a Series 2017 Supplemental Indenture; and

**WHEREAS**, in connection with the issuance of the Series 2017 Bonds, the Issuer and the Institution with consent of the Trustee amended the Loan Agreement dated as of September 1, 2010 (as amended to the date hereof, the “*Initial Loan Agreement*”), between the Issuer and the Institution pursuant to the Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2017 Amendment to Loan Agreement and as further supplemented or otherwise modified from time to time, the “*Loan Agreement*”); and

**WHEREAS**, the Holder agreed to make available to the Institution a draw down loan facility evidenced by the Series 2017 Bonds pursuant to a Bond Purchase Agreement and Continuing Covenants Agreement dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the “*Continuing Covenants Agreement*”), by and among the Issuer, the Institution, the Holder and the Agent; and

**WHEREAS**, pursuant to the Continuing Covenants Agreement, the Holder appointed the Agent as administrative agent for the benefit of the Holder, with respect to administration of the a draw down loan facility and the Continuing Covenants Agreement; and

**WHEREAS**, as security for the Institution’s obligations with respect to the Loan Agreement and Continuing Covenants Agreement, the Institution entered into the Building Loan Mortgage, Security Agreement and Assignment of Rents and Leases dated as of March 1, 2017, by and among the Institution, as mortgagor and the Issuer and the Agent, as mortgagees (as amended, supplemented or otherwise modified from time to time, the “*Mortgage*”), pursuant to which the Institution granted a Lien on the Series 2017 Mortgaged Property (as defined in the Mortgage); and

**WHEREAS**, the Issuer has assigned its interest in the Mortgage to the Agent; and

**WHEREAS**, in order to induce the Holder to enter into the Continuing Covenants Agreement and make a draw down loan facility available to the Institution, the Institution is willing to enter into this Agreement;

**NOW, THEREFORE**, in consideration of the premises expressed above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Institution makes the following representations, warranties and agreements in favor of and for the benefit of Agent, as administrative agent for the Holder:

**1. Provisions.**

(a) Without limiting the generality of any provision herein, in the Continuing Covenants Agreement or in any of the Credit Documents, the Institution hereby represents and warrants to the Agent that neither the Institution nor, to the best knowledge of the Institution, any previous owner or user of the Series 2017 Mortgaged Property has used, generated, stored or

disposed of in violation of any Environmental Law (as defined below) in, on, under, around or above the Series 2017 Mortgaged Property, any Regulated Material (defined herein as flammable explosives, radioactive materials, solid waste, hazardous substances, hazardous waste, hazardous materials, asbestos containing materials, petroleum or any fraction thereof, pollutants, irritants, contaminants, toxic substances, or any other materials respectively defined as such in, or regulated by, any applicable Environmental Law), that, to the best knowledge and belief of Institution, the Series 2017 Mortgaged Property is not currently in violation of any Environmental Law (defined herein as any federal, state or local law, regulation or ordinance, as each may be validly interpreted and applied by the appropriate governmental entity, governing the protection of human health, safety, industrial hygiene or the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 and the Emergency Planning and Community Right-to-Know Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act and the Oil Pollution Act of 1990). Institution shall keep and maintain, and Institution shall cause all Clients and any other persons present on or occupying the Series 2017 Mortgaged Property, employees, agents, contractors and subcontractors of Institution, to keep and maintain the Series 2017 Mortgaged Property, including, without limitation, the soil and ground water thereof, in compliance with, and not cause or knowingly permit the Series 2017 Mortgaged Property, including the soil and ground water thereof, to be in violation of any Environmental Law. Neither Institution nor Clients nor any employees, agents, contractors and subcontractors of Institution or Clients or any other persons occupying or present on the Series 2017 Mortgaged Property shall (i) use, generate, manufacture, store or dispose on, under or about the Series 2017 Mortgaged Property or transport to or from the Series 2017 Mortgaged Property any Regulated Material, except as such may be required to be used, stored, or transported in connection with the permitted uses of the Series 2017 Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; or (ii) perform, cause to be performed or permit any fill activities or other acts which would in any way destroy, eliminate, alter, obstruct, interfere with, or otherwise affect any Wetlands, as defined in 33 C.F.R. Section 328.3 and in any comparable state and local law, statute, ordinances, rule or regulation ("*Wetlands*"), in violation of any federal, state or local laws, statutes, ordinances, rules or regulations pertaining to such Wetlands ("*Wetlands Law*").

The Institution further represents and warrants to the Agent that, to the best of its knowledge:

(1) Underground storage tanks are not and have not been located on the Series 2017 Mortgaged Property.

(2) All environmental permits applicable to the Series 2017 Mortgaged Property have been obtained and are in full force and effect.

(3) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Series 2017 Mortgaged Property which

require any change in the present condition of the Series 2017 Mortgaged Property or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Series 2017 Mortgaged Property.

(4) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any environmental permit, (ii) the presence of any Regulated Material or a Release or the threat of a Release of any Regulated Material on, at or from the Series 2017 Mortgaged Property or any real property adjacent to or within the immediate vicinity of the Series 2017 Mortgaged Property, or (iii) human exposure to any Regulated Material, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Series 2017 Mortgaged Property or the ownership, use, operation, sale, transfer or conveyance thereof.

(b) The Institution shall immediately advise the Agent in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Institution of any applicable Environmental Law or any Wetlands Law; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Environmental Law or Wetlands Law; (iii) all claims made or threatened by any third party against Institution or the Series 2017 Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Environmental Law or Wetlands Law (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "*Environmental or Wetlands Claims*"); and (iv) discovery by Institution of any occurrence or condition on any real property adjoining or in the vicinity of the Series 2017 Mortgaged Property that could cause the Series 2017 Mortgaged Property or any part thereof to be classified as in violation of any Environmental Law or Wetlands Law or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Series 2017 Mortgaged Property under any Environmental Law or Wetlands Law.

(c) The Agent shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Environmental or Wetlands Claims, and to have its reasonable attorneys' and consultants' fees in connection therewith paid by Institution upon demand.

(d) The Institution shall be solely responsible for, and indemnifies and agrees to defend and hold harmless the Agent, its directors, officers, employees, agents, successors and assigns and any other person or entity claiming by, through, or under the Agent, from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the Series 2017 Bonds) of Regulated Materials on, under or about the Series 2017 Mortgaged Property (whether by Institution or a predecessor



in title or any Clients, employees, agents, contractors or subcontractors of Institution or any predecessor in title or any third persons at any time occupying or present on the Series 2017 Mortgaged Property), including, without limitation: (i) all consequential damages; (ii) the cost of any required or necessary repair, cleanup or detoxification of the Series 2017 Mortgaged Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (iii) damage to any Wetlands or natural resources; and (iv) all reasonable costs and expenses incurred by the Agent in connection with clauses (i), (ii), and (iii), including but not limited to reasonable attorneys' and consultants' fees; provided, however, that nothing contained in this paragraph shall be deemed to create or give any rights to any person other than the Agent and its successors and assigns, it being intended that there shall be no third party beneficiary of such provisions, or preclude Institution from seeking indemnification from, or otherwise proceeding against, any third party, including, without limitation, any tenant or predecessor entitled to the Series 2017 Mortgaged Property.

(e) Any costs or expenses reasonably incurred by the Agent for which Institution is responsible or for which Institution has indemnified the Agent shall be paid to the Agent on demand, and failing reimbursement within fifteen (15) days of delivery of notice thereof, shall earn interest at the default rate of interest set forth in the Continuing Covenants Agreement (the "*Default Rate*").

(f) Institution shall take any and all remedial action in response to the presence of any Regulated Materials or Wetlands on, under, or about the Series 2017 Mortgaged Property, required pursuant to any settlement agreement, consent decree or other governmental proceeding; furthermore, Institution shall take such additional steps as may be necessary to preserve the value of the Agent's security under the Mortgage, the Continuing Covenants Agreement and the Credit Documents.

**2. Notices.** Except for any notice required under applicable law to be given in another manner, any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered or if sent by telecopy, effective upon receipt or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) days after deposit in the United States mails, addressed in each case as follows:

(a) If to the Institution:

Springbrook NY, Inc.  
2705 State Highway 28  
Oneonta, New York 13820  
Attention: Wade Harman  
Chief Financial Officer

with a copy (which shall not constitute notice) to:

Bond Schoeneck & King, PLLC  
22 Corporate Woods Boulevard, Suite 501  
Albany, New York 12211  
Attention: Sarah Lewis Belcher, Esq.

(b) If to the Agent:

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, New York, 13202  
Attention: Patrick R. Szalach  
Senior Vice President

with a copy (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street N.W., Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

**3. Survival.** Notwithstanding anything in this Agreement or the Continuing Covenants Agreement or any of the other Credit Documents to the contrary, the representations and undertakings of Institution in this Agreement shall survive the expiration, satisfaction, foreclosure, or other termination of the Mortgage, the Continuing Covenants Agreement and the other Credit Documents, and the repayment of the debt secured thereby, regardless of the means of such expiration, termination or repayment. No release of the Mortgage, the Continuing Covenants Agreement or any of the other Credit Documents shall be deemed to affect a release of this Agreement, but rather, this Agreement shall be released and canceled only by a separate, specific, written release of this Agreement.

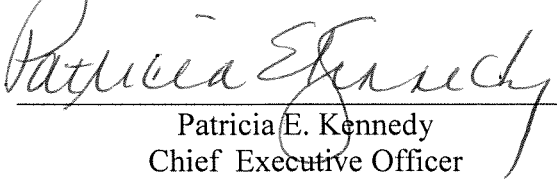
**4. Successors and Assigns.** The provisions contained herein shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

**5. Governing Law.** This Agreement shall be governed by, and construed in accordance with, federal law applicable to the Agent and to the extent not preempted by federal law, the laws of the State of New York, without reference to conflicts-of-laws principles.

**6. Defined Terms.** Capitalized terms used herein and not defined herein shall have the meaning given to such terms in the Continuing Covenants Agreement.

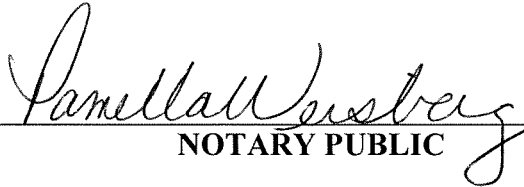
**IN WITNESS WHEREOF**, the Institution has caused this Environmental Indemnity Agreement to be duly executed and delivered as of the date set forth above.

**SPRINGBROOK NY, INC.**

By:   
Patricia E. Kennedy  
Chief Executive Officer

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

On the 24th day of March in the year 2017 before me, personally appeared **PATRICIA E. KENNEDY**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

## SCHEDULE A

### LEGAL DESCRIPTION OF SERIES 2017 MORTGAGED PROPERTY

#### PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point which is the intersection of the centerline of Otsego County Route 44 and the northerly bounds of New York State Route 28 (S.H. 674); running thence along the northerly bounds of New York State Route 28 the following three (3) courses and distances:

- 1) South 83° 23' 03" West 100.57 feet;
- 2) South 87° 08' 30" West 83.00 feet;
- 3) South 73° 19' 31" West 305.00 feet

to the southeast corner of lands n/f of John S. Lamb and Jean Lamb (L 322, P 77); running thence along the easterly and northerly bounds of lands n/f of Lamb (L 322, P 77) the following two (2) courses and distances:

- 1) North 17° 59' 28" West 181.53 feet;
- 2) South 77° 49' 10" West 68.20 feet;

to the northwesterly corner of said lands n/f of Lamb (L 322, P 77); running thence North 24° 25' 19" West a distance of 70.89 feet to a point; running thence South 63° 19' 46" West a distance of 81.65 feet to a point; running thence North 50° 24' 08" West a distance of 2,028.49 feet to southeast corner of lands of Ellen Dutcher (L 745, P 758); running thence North 19° 22' 05" East along the easterly bounds of lands Dutcher (P 745, L 758) and Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467) a distance of 1,168.20 feet to a point on the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264); running thence South 70° 30' 00" East along the southerly bounds of lands of Springbrook of NY, Inc. (Instrument 2010 2264) a distance of 1,525.92 feet to the northwesterly corner of lands of Stephen G. Hill and Margaret A. Hill (L 1020, P 75); running thence South 19° 34' 22" West along the westerly bounds of lands Hill (L 1020, P 75) a distance of 622.41 feet to the southwest corner of lands of Kimberly A. Miller (L 1041, P 274); running thence South 70° 05' 48" East along the southerly bounds of lands of Miller (L 1041, P 274) a distance of 802.40 feet to a point in the centerline of County Highway 44; running thence southerly along the centerline of County Highway 44 the following seven (7) courses and distances:

- 1) South 04° 43' 07" East 122.58 feet;

- 2) on a curve to the right, with an arc length of 4.08 feet, a radius of 100.00 feet and a Delta angle of 02° 20' 23";
- 3) on a curve to the right, with an arc length of 536.06 feet, a radius of 2,500.00 feet and a Delta angle of 12° 17' 08";
- 4) on a curve to the right, with an arc length of 8.96 feet, a radius of 100.00 feet and a Delta angle of 05° 08' 04";
- 5) South 15° 02' 28" West 174.62 feet;
- 6) on a curve to the left, with an arc length of 164.59 feet, a radius of 900.00 feet and a Delta angle of 10° 28' 41"; and
- 7) South 04° 33' 47" West 109.86 feet to the point of beginning. Containing

77.3265 acres. PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence South 73° 35' 50" West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 153.13 feet to the northeasterly corner of lands of Mark J. Cox and Kathy Cox (L 932, P 9); running thence North 50° 59' 04" West along the northerly bounds of lands of Cox (L 932, P 9) a distance of 569.12 feet to a point on the easterly bounds of lands of Ellen Dutcher (L 745, P 758); running thence along the easterly and northerly bounds of lands of Dutcher (L 745, P 758) the following two (2) courses and distances:

- 1) North 33° 30' 56" East 66.06 feet;
- 2) North 56° 29' 05" West 1,524.45 feet;

to a point on the easterly bounds of lands of Grace L. McNeill and Julius A. Lucia, Jr. (L 1090, P 467); running thence North 19° 22' 05" East along the easterly bounds of lands of McNeill and Lucia (L 1090, P 467) a distance of 303.60 feet to the southeast corner of lands of Dutcher (L 745, P 758); running thence South 50° 24' 08" East a distance of 2,028.49 feet to a point; running thence North 63° 19' 46" East a distance of 81.65 feet to a point; running thence South 24° 25' 19" East a distance of 70.89 feet to the northwesterly corner of lands n/f of Lamb (L 322, P 77); running thence South 17° 59' 28" East along the westerly bounds of lands n/f of Lamb (L 322, P 77) a distance of 186.55 feet to the point of beginning. Containing 10.2305 acres of land.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the southerly bounds of New York State Route 28 (S.H. 674), said point being a northeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719); running thence along the southerly bounds of New York State Route 28 the following eight (8) courses and distances:

- 1) North 73° 35' 36" East 259.39 feet;
- 2) North 84° 36' 54" East 289.24 feet;
- 3) South 80° 54' 24" East 145.00 feet;
- 4) South 80° 54' 24" East 77.00 feet;
- 5) North 50° 35' 27" West 25.00 feet;
- 6) South 80° 54' 24" East 55.16 feet;
- 7) South 62° 52' 18" East 26.00 feet;
- 8) South 76° 34' 33" East 166.00 feet;

to the northwest corner of lands of Russell E. Fay, Dorothea J. Fay, Brenda Fay, Barbara Eggleston and Lisa Dorreen (L 1126, P 975); running thence along the southerly bounds of lands of Fay, Eggleston and Dorreen (L 1126, P 975) the following two (2) courses and distances:

- 1) South 44° 01' 28" East 315.66 feet;
- 2) South 71° 37' 18" East 152.17 feet;

to a point on the westerly bounds of lands of Clark Couse and Emily Couse (L 444, P 271); running thence along the westerly and northerly bounds of lands of Couse (L 444, P 271) the following three (3) courses and distances:

- 1) South 32° 37' 37" East 35.00 feet;
- 2) South 45° 22' 20" West 510.84 feet;
- 3) North 68° 19' 02" West 1,087.69 feet;

to a southeast corner of lands of Clark H. Couse, Jr. and Leslie J. Couse (L 750, P 719), running thence North 03° 47' 36" East along the easterly bounds of lands of Couse, Jr. (L 750, P 719) a distance of 239.87 feet to the point of beginning. Containing 14.1549 acres of land.

## PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Milford, County of Otsego, State of New York, more particularly described as follows:

Beginning at a point on the northerly bounds of New York State Route 28 (S.H. 674), said point being the southwest corner of lands n/f of Lamb (L 322, P 77); running thence along the bounds of lands n/f of Lamb the following three (3) courses and distances:

- 1) North  $17^{\circ} 59' 28''$  West 186.55 feet;
- 2) North  $77^{\circ} 49' 10''$  East 68.20 feet;
- 3) South  $17^{\circ} 59' 28''$  East 181.53 feet;

to a point on the northerly bounds of New York State Route 28 (S.H. 674); running thence South  $73^{\circ} 36' 05''$  West along the northerly bounds of New York State Route 28 (S.H. 674) a distance of 67.90 feet to the point of beginning. Containing 0.2867 acre of land.

Title to Parcel IV is not insured but the policy affirmatively insures against loss or damage resulting from the enforced removal of the building, pipes, parking and access rights located with this parcel of land.

## PARCEL V

All that tract or parcel of land situate in the Town of Milford, County of Otsego and State of New York; being bounded and described as follows:

Beginning at a point in the centerline of County Highway 44, said point being the southeast corner of lands of Donald A. Knapp and Mary E. Knapp (L 714, P 309); running thence southeasterly along the centerline of County Highway 33 the following five courses and distances:

- 1) South  $03^{\circ} 21' 23''$  East 210.68 feet;
- 2) on a curve to the left, with an arc length of 231.24 feet, a radius of 1450.00 feet and a Delta angle of  $09^{\circ} 08' 14''$ ;
- 3) South  $12^{\circ} 29' 37''$  East 275.07 feet;
- 4) on a curve to the right, with an arc length of 143.84 feet, a radius of 2500.00 feet and a Delta angle of  $03^{\circ} 17' 47''$ ;
- 5) South  $09^{\circ} 11' 50''$  East 151.17 feet;

to the southeast corner of said Filed Map No. 6790; running thence along the southerly bounds of the aforesaid filed map the following two courses and distances:



1) North 71°23'21" West 481.85 feet;

2) North 70°30'00" West 356.99 feet;

to the southwest corner of said filed map; running thence along the westerly bounds of the aforesaid filed map the following two courses and distances:

1) North 39°34'28" East 621.08 feet;

2) North 00°32'31" East 282.84 feet;

to the southwest corner of lands of Kyle Greiner and Danielle Greiner (L 1066, P 139); running thence South 83°52'42" East along the southerly bounds of lands of Greiner (L 1066, P 139) a distance of 77.76 feet to the southwest corner of lands of Knapp (L 714, P 309); running thence along the southerly bounds of lands of Knapp (L 714, P 309) the following two courses and distances:

1) South 52°59'18" East 48.34 feet;

2) North 89°31'36" East 123.99 feet;

to the point of beginning.

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**SPRINGBROOK NY, INC.**

to

**CITIZENS BANK, N.A.,  
as Administrative Agent**

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**ASSIGNMENT OF  
CONSTRUCTION DOCUMENTS**

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Dated as of March 1, 2017

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relating to

Otsego County Capital Resource Corporation  
Up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A

Otsego County Capital Resource Corporation  
Up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B

Otsego County Capital Resource Corporation  
Up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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## ASSIGNMENT OF CONSTRUCTION DOCUMENTS

**ASSIGNMENT OF CONSTRUCTION DOCUMENTS** (this “*Assignment*”) dated as of March 1, 2017, made by **SPRINGBROOK NY, INC.**, a not-for-profit corporation duly organized under the laws of the State of New York having an office at 2705 State Highway #28, Oneonta, New York 13820-9753 (the “*Institution*”) to **CITIZENS BANK, N.A.**, a national banking association duly authorized and validly existing under the laws of the United States of America having an office at 250 South Clinton Street, Suite 202, Syracuse, New York 13202, as administrative agent (the “*Agent*”) for Citizens Funding Corp., the holder (the “*Holder*”) of the Series 2017 Bonds (as defined below).

**WHEREAS**, at the request of the Institution, Otsego County Capital Resource Corporation (the “*Issuer*”) issued the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “*Series 2017A Bonds*”), the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B, in the aggregate principal amount of up to \$500,000 (the “*Series 2017B Bonds*”) and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C, in the aggregate principal amount of up to \$4,450,000 (the “*Series 2017C Bonds*” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “*Series 2017 Bonds*”) under the terms and conditions more fully set forth in a trust indenture dated as of September 1, 2010 (as amended and supplemented to the date hereof, the “*Initial Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), as supplemented by Series 2017 Supplemental Indenture dated as of March 1, 2017 (the “*Series 2017 Supplemental Indenture*” and the Initial Indenture as supplemented thereby and as amended or supplemented and from time to time, the “*Indenture*”), by and between the Issuer and the Trustee; and

**WHEREAS**, the Issuer issued the Series 2017 Bonds to assist the Institution with the financing of a portion of the costs of the construction and equipping on the Institution’s main campus (the “*Main Campus*”) located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “*Land*”) of five (5) new buildings and facilities and acquisition and the installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “*Residence Project*”), the costs of which are to be financed with the Series 2017A Bonds and the Series 2017C Bonds; and the expansion and the making of improvements to the network infrastructure on and in buildings and facilities located at the Main Campus (the “*Network Project*” and collectively with the Residence Project, the “*Project*”), the costs of which are to be financed with the Series 2017B Bonds; all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; and

**WHEREAS**, the Issuer loaned the proceeds of the Series 2017 Bonds to the Institution pursuant to a loan agreement dated as of September 1, 2010 (as amended to the date hereof, the

“*Initial Loan Agreement*”), as amended by Series 2017 Amendment to Loan Agreement dated as of March 1, 2017 (the “*Series 2017 Amendment to Loan Agreement*” and the Initial Loan Agreement as amended by the Series 2017 Amendment to Loan Agreement and as amended, modified or supplemented from time to time, the “*Loan Agreement*”), by and between the Issuer and the Institution; and

**WHEREAS**, the Holder agreed to make available to the Institution a draw down loan facility evidenced by the Series 2017 Bonds pursuant to a Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “*Continuing Covenants Agreement*”), by and among the Issuer, the Institution, the Holder and the Agent; and

**WHEREAS**, pursuant to the Continuing Covenants Agreement, the Holder appointed the Agent as administrative agent for the benefit of the Holder, with respect to administration of the draw down loan facility and the Continuing Covenants Agreement; and

**WHEREAS**, as a condition to agreeing to enter into the Continuing Covenants Agreement, the Holder has requested that the Institution assign as security for the performance of the obligations of the Institution under the Loan Agreement and the Continuing Covenants Agreement, all its right, title and interest and grant the Agent a security interest in the Collateral Documents (as defined below) pursuant to this Assignment,

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

**1. DEFINED TERMS.** As used in this Assignment, terms defined in the Continuing Covenants Agreement shall have such definitions and the following terms shall have the following meanings, unless the context otherwise requires:

“*Assignment*” shall mean this Collateral Assignment of Construction Documents, as amended, modified or supplemented from time to time.

“*Collateral*” shall have the meaning assigned to it in Section 2 of this Assignment.

“*Collateral Documents*” shall mean the Construction Management Agreement, Construction Agreement, the Architect Agreement, the Plans and Specifications and the documents listed in Exhibit A, whether now existing or hereafter entered into by the Institution.

“*Consent*” shall mean the consent of a Person (other than the Institution) which is a party to the Collateral Documents substantially in the form of Exhibit B attached hereto.

“*Contract Rights*” shall mean all rights of the Institution under the Collateral Documents.

“*Event of Default*” shall have the meaning assigned to it in the Continuing Covenants Agreement.

“*Obligations*” shall mean (a) the payment of all sums required to be paid hereunder and under the Continuing Covenants Agreement, the Loan Agreement, any Secured Hedge Agreement and the other Credit Documents, and (b) the performance and observance by the Institution of all of the covenants, terms and conditions of the Continuing Covenants Agreement, the Loan Agreement, any Secured Hedge Agreement and the other Credit Documents.

“*Proceeds*” shall have the meaning assigned to it under the Uniform Commercial Code and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Institution or the Institution from time to time with respect to any of the Collateral; (ii) any and all payments (in any form whatsoever) made or due and payable to the Institution from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority); and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

**2. GRANT OF SECURITY INTEREST.** In order to secure the Obligations, the Institution hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Agent, as administrative agent of the Holder, and hereby grants to the Agent, as administrative agent of the Holder, a security interest in all the Institution’s right, title and interest in, to and under the following (all of which is hereinafter collectively called “*Collateral*”):

(i) all Contract Rights now existing or hereafter arising, including, without limitation, (A) any damages arising out of or for breach or default in respect of any of the Collateral Documents, (B) all other amounts from time to time paid or payable to the Institution under or in connection with the Collateral Documents, and (C) except for change orders permitted without the consent of the Agent under the Continuing Covenants Agreement, the rights of the Institution, if any, to amend, modify, supplement or terminate any of the Collateral Documents or to exercise remedies thereunder without having first obtained the written consent of the Agent in each instance;

(ii) all the Institution’s right, title and interest in the Plans and Specifications described in, or prepared pursuant to, the Collateral Documents; and

(iii) to the extent not otherwise included, all Proceeds of any or all of the foregoing.

**3. RIGHTS OF THE AGENT; LIMITATIONS ON THE AGENT’S OBLIGATION.** It is expressly agreed by the Institution that, anything herein to the contrary notwithstanding, the Institution shall remain liable under each of the Collateral Documents to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions of each such Collateral Document. Except to the extent, if any, required under applicable law, neither the Holder nor the Agent shall have any obligation or liability under any Collateral Document by reason of or arising out of this Assignment or its assignment to the Agent or the receipt by the Agent of any payment relating to any Collateral Document pursuant hereto. Neither the Agent

nor the Holder shall be required or obligated in any manner to perform or fulfill any of the obligations of the Institution under or pursuant to any Collateral Document, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Collateral Document, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

**4. COVENANTS.** The Institution covenants and agrees with the Agent that from and after the date of this Assignment and until the Obligations are fully satisfied:

(a) ***Further Documentation; Pledge of Instruments.*** At any time and from time to time, upon written request of the Agent, and at the sole expense of the Institution, the Institution will promptly and duly execute and deliver any and all such further instruments and documents, and the Institution shall take such further action as the Agent may reasonably deem necessary in obtaining the full benefits of this Assignment and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby. The Institution also hereby authorizes the Agent to file any such financing or continuation statement from time to time in any filing office in any UCC jurisdiction, at the Institution's expense with respect to the liens and security interests granted hereby.

(b) ***Indemnification.*** In any suit, proceeding or action brought by the Agent under any Collateral Document for any sum owing thereunder, or to enforce any provisions of such Collateral Document, the Institution will save, indemnify and keep the Agent and the Holder harmless from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligee thereunder arising out of a breach by the Institution of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Institution, and all such obligations of the Institution shall be and remain enforceable against the Institution and shall not be enforceable against the Agent or the Holder.

(c) ***Limitation on Liens on Collateral.*** The Institution will not create, permit or suffer to exist, and the Institution will defend the Collateral against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral, and will defend the right, title and interest of the Agent in and to any of the Collateral against the claims and demands of all persons whomsoever.

**5. THE AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.**

(a) The Institution hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Institution and in the name of the Institution or in its own name (i) from time to time in the Agent's discretion, for the purpose of carrying out the terms of this Assignment, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Assignment, and (ii) without limiting the generality of the foregoing, hereby

gives the Agent the power and right, on behalf of the Institution, without assent by the Institution (but with notice to the Institution of the Agent's first exercise of such power, as soon as is practical under the circumstances) upon and only upon the occurrence and continuance of any Event of Default (such limitation upon the exercise of such power shall not, however, delay the creation or otherwise affect the existence of such power, but only limit its exercise) (A) to direct any party liable for the payment under any of the Collateral Documents to make payment of any and all moneys due and to become due thereunder directly to the Agent or as the Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against the Institution with respect to any Collateral; (E) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; and (F) generally to deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and the Institution's expense, at any time or from time to time, all acts and things which the Agent reasonably deems necessary to protect, preserve or realize upon the Collateral and the Agent's security interest therein, in order to effect the intent of this Assignment, all as fully and effectively as the Institution might do. None of the Agent, the Holder or their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable for any action taken or omitted to be taken by it or such Person under or in connection with this Section 5(a) (except for its or such Person's own gross negligence or willful misconduct). The Agent shall, promptly after executing any document on behalf of the Institution, as its attorney-in-fact as provided above, notify the Institution thereof and deliver a copy of such document to the Institution.

The Institution, to the fullest extent permitted by applicable law, hereby agrees to ratify all that said attorney-in-fact shall lawfully do or cause to be done by virtue and in accordance with the terms hereof. This power of attorney is a power coupled with an interest and shall be irrevocable until all amounts payable under the Continuing Covenants Agreement are paid in full.

(b) The powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Institution for any act or failure to act, except for its own gross negligence or willful misconduct.

(c) The Institution also authorizes the Agent, during the existence of a default hereunder or an Event of Default under the Continuing Covenants Agreement, at any time and from time to time, to communicate in its own name with any party to any Collateral Document with regard to the assignment of the Collateral Documents hereunder and other matters relating thereto.

**6. PERFORMANCE BY AGENT OF THE INSTITUTION'S OBLIGATIONS.**

If the Institution fails to perform or comply with any of its agreements contained herein or the Institution fails to perform or comply with any of its agreements contained in the other Credit Documents (after any applicable notice and grace period), the Agent, as provided for by the terms of this Assignment, may (but shall not be obligated to) perform or comply, or otherwise cause performance or compliance, with such agreement.

**7. OTHER AGREEMENTS OF THE INSTITUTION.** The Institution has full power and authority to make this Assignment. The Collateral Documents identified on Exhibit A are each in full force and effect, and the Institution shall make the required payments and shall otherwise perform its obligations thereunder and under any Collateral Documents entered into after the date hereof. Except as may be permitted in the Continuing Covenants Agreement, the Institution shall make no changes in or amendments to the Collateral Documents, including but not limited to, any addenda, modifications or change orders, without the prior written consent of the Agent. The Institution agrees to make, execute and deliver all such further or additional instruments as may be necessary to satisfy the intent and purpose hereof or to perfect the assignment made hereby.

**8. REMEDIES, RIGHTS UPON DEFAULT.** If any Event of Default under the Continuing Covenants Agreement shall occur and be continuing, the Agent may exercise in addition to all other rights and remedies granted to it in this Assignment and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC.

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

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

- (i) If to the Issuer:

Otsego County Capital Resource Corporation  
242 Main Street  
Oneonta, New York 13820  
Attention: Carolyn Lewis



and a copy to:

State of New York  
12 Club Avenue  
Oneonta, New York 13820  
Attention: Kurt Schulte, Esq.

(ii) If to the Institution:

Springbrook NY, Inc.  
2705 State Highway 28  
Oneonta, New York 13820-9753  
Attention: Wade Harman  
Chief Financial Officer

with a copy (which shall not constitute notice) to:

Bond Schoeneck & King, PLLC  
22 Corporate Woods Boulevard, Suite 501  
Albany, New York 12211  
Attention: Sarah Lewis Belcher, Esq.

(iii) If to the Agent:

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, New York, 13202  
Attention: Patrick R. Szalach  
Senior Vice President

with a copy (which shall not constitute notice) to:

Barclay Damon, LLP  
1325 G Street, N.W., Suite 500  
Washington, D.C. 20005  
Attention: Jean S. Everett, Esq.

**10. SEVERABILITY.** Any provision of this Assignment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**11. NO WAIVER; CUMULATIVE REMEDIES.** The Agent shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Agent, and then only to the extent therein set forth. A waiver by the Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent would otherwise have had

on any future occasion. No failure to exercise nor any delay in exercising on the part of the Agent, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by applicable law. None of the terms or provisions of this Assignment may be waived, altered, modified or amended except by an instrument in writing, duly executed by the party to be bound.

**12. SUCCESSORS AND ASSIGNS.** This Assignment and all obligations of the Institution hereunder shall be binding upon the successors and assigns of the Institution, and shall, together with the rights and remedies of the Agent hereunder, inure to the benefit of the Agent and its respective successors and assigns.

**13. APPLICABLE LAW.** This Assignment shall be construed and enforced in accordance with federal laws applicable to the Agent and to the extent not preempted by federal law, the laws of the State.

**14. CONSENT.** The Institution shall deliver or cause to be delivered to the Agent, simultaneously with delivery of this Assignment, the Consent executed by all other parties to the Collateral Documents identified on Exhibit A and dated of even date herewith. The Institution shall deliver or cause to be delivered to the Agent, prior to commencement of construction of Residence 4 or Residence 5, fully executed counterparts of the Collateral Documents related thereto and the Consent of each Architect or Contractor which is a party to such Collateral Document.

**15. FINANCING STATEMENTS.** The Institution shall file or cause to be filed at its sole cost a UCC-1 financing statement on or prior to the date hereof in the office of the Secretary of State of the State as shall be necessary to perfect the security interest granted hereby and shall deliver evidence of such filing to the Agent.

IN WITNESS WHEREOF, the Institution has executed this Assignment of Construction Documents on the date first set forth above.

SPRINGBROOK NY, INC.

By: Patricia E. Kennedy  
Patricia E. Kennedy  
Chief Executive Officer

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

On the 24th day of March in the year 2017 before me, personally appeared **Patricia E. Kennedy**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Pamella Weisberg  
NOTARY PUBLIC

Pamella Weisberg  
Notary Public, State of New York  
Qualified in Rensselaer County  
No. 01WE4943734  
Commission Expires October 31, 2018

## **EXHIBIT A**

1. The Agency CM Services contract dated July 7, 2016 between the Institution and LeChase Construction Services LLC (“Construction Manager”), as amended by Amendment No. 1 dated as March 1, 2017 between Institution and Construction Manager (as the same may be further amended or modified from time to time).
2. Standard Form of Agreement (AIA Document A101-2007) dated December 12, 2016, between Institution and Upstate Companies I, LLC (the “Contractor”) and Standard Form of Agreement (AIA Document A101-2007) dated December 12, 2016, between Institution and the Contractor (together as the same may be further amended or modified from time to time).
3. Resident House 2 & 3 Drawings dated August 19, 2016 and Resident House 2 & 3 Technical Specifications dated August 19, 2016 for improvements to be constructed at 105 Campus Drive, Oneonta, NY prepared by Chianis + Anderson Architects.
4. All Architect Agreements, Construction Management Agreements and Construction Agreements hereafter entered into by or on behalf of the Institution with respect to the Project.

## EXHIBIT B

\_\_\_\_\_, 2017

Citizens Bank, N.A.  
250 South Clinton Street, Suite 202  
Syracuse, New York 13202

Re: [CONTRACT TITLE, DATE, PARTIES] (as the same may be further amended or modified from time to time, the "Contract").

Gentlemen:

We are the [Construction Manager][Architect][Contractor] responsible for the [construction management][design][construction] and additional services with respect to the proposed residences of Springbrook NY, Inc. (the "*Company*") in the Town of Milford, County of Otsego, New York, under the Contract referred to above (the "*Work*").

We understand that the Work and related improvements and equipment (collectively, the "*Project*") will be financed in part by the up to aggregate principal amount \$5,550,000 Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (Springbrook NY, Inc. Project), Series 2017A and the up to aggregate principal amount \$4,450,000 the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C (collectively, the "*Series 2017 Bonds*") and moneys advanced thereunder from time to time by Citizens Funding Corp. (the "*Holder*") pursuant to a Continuing Covenants Agreement dated as of March 1, 2017 (the "*Continuing Covenants Agreement*"), among the Institution, Citizens Bank, N.A. (the "*Agent*"), Otsego County Capital Resource Corporation and the Holder. In connection with the draw down loan facility evidenced by the Series 2017 Bonds, we have been requested to provide a letter assuring the Holder and the Agent that if the Work is taken over by the Agent, we will continue to work for the Agent under the terms of the Contract.

We understand that the Contract is to be assigned (the "*Assignment*") to the Agent as administrative agent of the Holder as additional security for the Continuing Covenants Agreement and we consent to such Assignment. We agree that if the Agent is required to take over the Work we will continue to perform our obligations under the Contract for the Agent.

We agree that neither the Holder nor the Agent shall be liable for the performance or observance of any of the obligations or duties of the Institution under the Contract, nor shall the Assignment give rise to any duties or obligations whatsoever on the part of the Holder or the Agent under said Contract, except that, insofar as the Agent exercises any of its rights under said Contract or makes any claims with respect to any payments, deliverables or other obligations under said Contract, the terms and conditions of the Contract applicable to such exercise of rights or such claims shall apply to, and be binding upon, the Agent to the same extent as the

Institution, except that the Agent shall not be personally liable under the Contract beyond Bond proceeds advanced in accordance with the Continuing Covenants Agreement) and the Agent shall not be required to cure any prior defaults of the Institution under the Contract as a condition to exercise by the Agent of any rights under the Contract other than all monetary defaults of the Institution under the Contract and all other defaults reasonably susceptible of cure by the Agent, which defaults shall be cured within sixty (60) days after the date the Agent makes any claims with respect to any payments, deliverables or other obligations under the Contract, or if any such default cannot reasonably be cured within said sixty (60) day period, within a reasonable time thereafter, *provided* the Agent commences to cure said default within said sixty (60) day period and thereafter diligently proceeds to cure said default.

In the event of any material default in the performance by the Institution of its obligations under the Contract or in the event we propose to terminate the Contract, we shall give to the Agent written notice of such default or such proposed termination, as the case may be, by certified or registered mail, return receipt requested, or by express mail, and the Agent shall have the opportunity to cure such default or all defaults for a period of sixty (60) days after the Agent's receipt of such notice. Written notices shall be directed to the Agent at 250 South Clinton Street, Suite 202, Syracuse, New York 13202, Attention: Patrick R. Szalach, Senior Vice President.

We hereby represent and warrant that (i) we are a [corporation] duly organized, validly existing and in good standing under the laws of the State of New York; (ii) the Contract is in full force and effect on the date hereof and constitutes our valid and binding obligation, enforceable against us in accordance with its terms, except as enforceability may be limited by general principles of equity and by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (iii) no consent, license, approval or authorization of, or filing, registration of declaration with or exemption by, any governmental body, bureau or agency or any other person is required in connection with the execution, delivery and performance by us of the Contract or this letter agreement other than those which have been duly obtained and are in full force and effect; (iv) the representations and warranties made by us in the Contract are true and correct on the date hereof with the same effect as if made on and as of the date hereof; and (v) we have duly complied with all agreements and conditions contained in the Contract which are required to perform or comply with prior to the date hereof.

Sincerely,

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

March 24, 2017

Citizens Bank, N.A.  
250 South Clinton Street, Suite 202  
Syracuse, New York 13202

Re: Agency CM Services contract dated July 7, 2016, between Springbrook NY, Inc. (the "Institution") and LeChase Construction Services LLC (the "Construction Manager"), as amended by Amendment No. 1 dated as March 1, 2017, between the Institution and Construction Manager (as the same may be further amended or modified from time to time, the "Contract").

Gentlemen:

We are the Construction Manager responsible for the construction management and additional services with respect to the proposed Residence 2 and Residence 3 of Springbrook NY, Inc. (the "*Institution*") in the Town of Milford, County of Otsego, New York, under the Contract referred to above (the "*Work*").

We understand that the Work and related improvements and equipment (collectively, the "*Project*") will be financed in part by the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (Springbrook NY, Inc. Project), Series 2017A in the up to aggregate principal amount \$5,550,000 and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the up to aggregate principal amount \$4,450,000 (collectively, the "*Series 2017 Bonds*") and moneys advanced thereunder from time to time by Citizens Funding Corp. (the "*Holder*") pursuant to a Continuing Covenants Agreement dated as of March 1, 2017 (the "*Continuing Covenants Agreement*"), among the Institution, Citizens Bank, N.A. (the "*Agent*"), Otsego County Capital Resource Corporation and the Holder. In connection with the draw down loan facility evidenced by the Series 2017 Bonds, we have been requested to provide a letter assuring the Holder and the Agent that if the Work is taken over by the Agent, we will continue to work for the Agent under the terms of the Contract.

We understand that the Contract is to be assigned (the "*Assignment*") to the Agent as administrative agent of the Holder as additional security for the Continuing Covenants Agreement and we consent to such Assignment. We agree that if the Agent is required to take over the Work we will continue to perform our obligations under the Contract for the Agent.

We agree that neither the Holder nor the Agent shall be liable for the performance or observance of any of the obligations or duties of the Institution under the Contract, nor shall the Assignment give rise to any duties or obligations whatsoever on the part of the Holder or the Agent under said Contract, except that, insofar as the Agent exercises any of its rights under said Contract or makes any claims with respect to any payments, deliverables or other obligations under said Contract, the terms and conditions of the Contract applicable to such exercise of rights or such claims shall apply to, and be binding upon, the Agent to the same extent as the Institution, except that the Agent shall not be personally liable under the Contract beyond Bond


proceeds advanced in accordance with the Continuing Covenants Agreement) and the Agent shall not be required to cure any prior defaults of the Institution under the Contract as a condition to exercise by the Agent of any rights under the Contract other than all monetary defaults of the Institution under the Contract and all other defaults reasonably susceptible of cure by the Agent, which defaults shall be cured within sixty (60) days after the date the Agent makes any claims with respect to any payments, deliverables or other obligations under the Contract, or if any such default cannot reasonably be cured within said sixty (60) day period, within a reasonable time thereafter, *provided* the Agent commences to cure said default within said sixty (60) day period and thereafter diligently proceeds to cure said default.

In the event of any material default in the performance by the Institution of its obligations under the Contract or in the event we propose to terminate the Contract, we shall give to the Agent written notice of such default or such proposed termination, as the case may be, by certified or registered mail, return receipt requested, or by express mail, and the Agent shall have the opportunity to cure such default or all defaults for a period of sixty (60) days after the Agent's receipt of such notice. Written notices shall be directed to the Agent at 250 South Clinton Street, Suite 202, Syracuse, New York 13202, Attention: Patrick R. Szalach, Senior Vice President.

We hereby represent and warrant that (i) we are a limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York; (ii) the Contract is in full force and effect on the date hereof and constitutes our valid and binding obligation, enforceable against us in accordance with its terms, except as enforceability may be limited by general principles of equity and by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (iii) no consent, license, approval or authorization of, or filing, registration of declaration with or exemption by, any governmental body, bureau or agency or any other person is required in connection with the execution, delivery and performance by us of the Contract or this letter agreement other than those which have been duly obtained and are in full force and effect; (iv) the representations and warranties made by us in the Contract are true and correct on the date hereof with the same effect as if made on and as of the date hereof; and (v) we have duly complied with all agreements and conditions contained in the Contract which are required to perform or comply with prior to the date hereof.

Sincerely,

**LeChase Construction Services LLC**

By:   
Name: CHARLES L. CARACCI, JR.  
Title: EXECUTIVE VICE PRESIDENT & CFO



March 24, 2017

Citizens Bank, N.A.  
250 South Clinton Street, Suite 202  
Syracuse, New York 13202

Re: Standard Form of Agreement between Owner and Contractor (AIA Document A101-2007) dated December 12, 2016, between Springbrook and Upstate Companies I, LLC (the "Contractor") (Residence 2) and Standard Form of Agreement between Owner and Contractor (AIA Document A101-2007) dated December 12, 2016, between Springbrook and the Contractor (Residence 3) (together as the same may be further amended or modified from time to time, the "Contract").

Gentlemen:

We are the Contractor responsible for the construction and additional services with respect to the proposed residences of Springbrook NY, Inc. (the "*Institution*") in the Town of Milford, County of Otsego, New York, under the Contract referred to above (the "*Work*").

We understand that the Work and related improvements and equipment (collectively, the "*Project*") will be financed in part by the Otsego County Capital Resource Corporation Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (Springbrook NY, Inc. Project), Series 2017A in the up to aggregate principal amount \$5,550,000 and the Otsego County Capital Resource Corporation Tax Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the up to aggregate principal amount \$4,450,000 (collectively, the "*Series 2017 Bonds*") and moneys advanced thereunder from time to time by Citizens Funding Corp. (the "*Holder*") pursuant to a Continuing Covenants Agreement dated as of March 1, 2017 (the "*Continuing Covenants Agreement*"), among the Institution, Citizens Bank, N.A. (the "*Agent*"), Otsego County Capital Resource Corporation and the Holder. In connection with the draw down loan facility evidenced by the Series 2017 Bonds, we have been requested to provide a letter assuring the Holder and the Agent that if the Work is taken over by the Agent, we will continue to work for the Agent under the terms of the Contract.

We understand that the Contract is to be assigned (the "*Assignment*") to the Agent as administrative agent of the Holder as additional security for the Continuing Covenants Agreement and we consent to such Assignment. We agree that if the Agent is required to take over the Work we will continue to perform our obligations under the Contract for the Agent.

We agree that neither the Holder nor the Agent shall be liable for the performance or observance of any of the obligations or duties of the Institution under the Contract, nor shall the Assignment give rise to any duties or obligations whatsoever on the part of the Holder or the Agent under said Contract, except that, insofar as the Agent exercises any of its rights under said Contract or makes any claims with respect to any payments, deliverables or other obligations

under said Contract, the terms and conditions of the Contract applicable to such exercise of rights or such claims shall apply to, and be binding upon, the Agent to the same extent as the Institution, except that the Agent shall not be personally liable under the Contract beyond Bond proceeds advanced in accordance with the Continuing Covenants Agreement) and the Agent shall not be required to cure any prior defaults of the Institution under the Contract as a condition to exercise by the Agent of any rights under the Contract other than all monetary defaults of the Institution under the Contract and all other defaults reasonably susceptible of cure by the Agent, which defaults shall be cured within sixty (60) days after the date the Agent makes any claims with respect to any payments, deliverables or other obligations under the Contract, or if any such default cannot reasonably be cured within said sixty (60) day period, within a reasonable time thereafter, *provided* the Agent commences to cure said default within said sixty (60) day period and thereafter diligently proceeds to cure said default.

In the event of any material default in the performance by the Institution of its obligations under the Contract or in the event we propose to terminate the Contract, we shall give to the Agent written notice of such default or such proposed termination, as the case may be, by certified or registered mail, return receipt requested, or by express mail, and the Agent shall have the opportunity to cure such default or all defaults for a period of sixty (60) days after the Agent's receipt of such notice. Written notices shall be directed to the Agent at 250 South Clinton Street, Suite 202, Syracuse, New York 13202, Attention: Patrick R. Szalach, Senior Vice President.

We hereby represent and warrant that (i) we are a limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York; (ii) the Contract is in full force and effect on the date hereof and constitutes our valid and binding obligation, enforceable against us in accordance with its terms, except as enforceability may be limited by general principles of equity and by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (iii) no consent, license, approval or authorization of, or filing, registration of declaration with or exemption by, any governmental body, bureau or agency or any other person is required in connection with the execution, delivery and performance by us of the Contract or this letter agreement other than those which have been duly obtained and are in full force and effect; (iv) the representations and warranties made by us in the Contract are true and correct on the date hereof with the same effect as if made on and as of the date hereof; and (v) we have duly complied with all agreements and conditions contained in the Contract which are required to perform or comply with prior to the date hereof.

Sincerely,

Upstate Companies I, LLC

By: 

Name: Brian E Zaczek

Title: President

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Jean S. Everett, Esq. (610) 438-9003**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Amanda Mirabito, Esq.  
 Barclay Damon LLP  
 80 State Street  
 Albany NY 12207**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**SPRINGBROOK NY, INC.**

OR  
 1b. INDIVIDUAL'S LAST NAME

1c. MAILING ADDRESS  
**2705 State Highway 28**

CITY: **Oneonta** STATE: **NY** POSTAL CODE: **13820** COUNTRY: **USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR: **Not Applicable** 1e. TYPE OF ORGANIZATION: **not-for-profit** 1f. JURISDICTION OF ORGANIZATION: **New York State** 1g. ORGANIZATIONAL ID #, if any:  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR  
 2b. INDIVIDUAL'S LAST NAME

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR: **Not Applicable** 2e. TYPE OF ORGANIZATION: 2f. JURISDICTION OF ORGANIZATION: 2g. ORGANIZATIONAL ID #, if any:  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**CITIZENS BANK, N.A., as administrative agent**

OR  
 3b. INDIVIDUAL'S LAST NAME

3c. MAILING ADDRESS  
**250 South Clinton Street**

CITY: **Syracuse** STATE: **NY** POSTAL CODE: **13202** COUNTRY: **USA**

4. This FINANCING STATEMENT covers the following collateral:  
**All right, title and interest of the debtor in the personal property described in Schedule A attached hereto and made a part hereof granted pursuant to a Assignment of Construction Documents dated as of March 1, 2017 by the debtor in favor of the secured party.**

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

**Springbrook 2017- Assign. Constr. Docs.**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME			
SPRINGBROOK NY, INC.			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
Not Applicable					

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
**105 Campus Drive, Town of Milford, New York**

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

**See Schedule A**

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENT  
FROM SPRINGBROOK NY, INC. TO CITIZENS BANK, N.A., AS AGENT  
RELATING TO THE ASSIGNMENT OF CONSTRUCTION DOCUMENTS

SPRINGBROOK NY, INC. a New York not-for-profit corporation (the "Debtor") has entered into a Collateral Assignment of Documents dated as of March 1, 2017 (as amended, modified, restated or supplemented from time to time, the "Assignment of Contracts") in favor of Citizens Bank, N.A., as administrative agent (the "Agent") as security for the payment of all sums due under a certain Bond Purchase Agreement and Continuing Covenants Agreement ("Continuing Covenants Agreement") dated as of March 1, 2017 among the Agent, Otsego County Capital Resource Corporation, Citizens Funding Corp. and the Debtor. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Assignment of Contracts.

Pursuant to the Assignment of Contracts, the Debtor granted to the Agent a security interest in, and pledged and assigned to the Agent all right, title and interest in, to and under the following:

- (i) all rights of the Debtor under the Collateral Documents, including, without limitation, (A) any damages arising out of or for breach or default in respect of any of the Collateral Documents, (B) all other amounts from time to time paid or payable to the Debtor under or in connection with the Collateral Documents, and (C) except for change orders permitted without the consent of the Agent under the Continuing Covenants Agreement, the rights of the Debtor, if any, to amend, modify, supplement or terminate any of the Collateral Documents or to exercise remedies thereunder without having first obtained the written consent of the Agent in each instance
- (ii) all the Debtor's right, title and interest in the Plans and Specifications described in, or prepared pursuant to, the Collateral Documents; and
- (iii) to the extent not otherwise included, all Proceeds of any or all of the foregoing.

The Collateral Documents include:

1. The Agency CM Services contract dated July 7, 2016 between the Debtor and LeChase Construction Services LLC ("Construction Manager"), as amended by Amendment No. 1 dated as March 1, 2017 between Debtor and Construction Manager (as the same may be further amended or modified from time to time).
2. Standard Form of Agreement (AIA Document A101-2007) dated December 12, 2016, between Debtor and Upstate Companies I, LLC (the "Contractor") and Standard Form of Agreement (AIA Document A101-2007) dated December 12,

2016, between Debtor and the Contractor (together as the same may be further amended or modified from time to time).

3. Drawings dated August 19, 2016 and Resident House 2 & 3 Technical Specifications dated August 19, 2016 for improvements to be constructed at 105 Campus Drive, Oneonta, NY prepared by Chianis + Anderson Architects.

GENERAL CERTIFICATE  
OF  
UPSTATE HOME FOR CHILDREN FOUNDATION, INC.

This certificate is made in connection with the issuance by Otsego County Capital Resource Corporation (the "Issuer") of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), issued pursuant to trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and among the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), a supplemental trust indenture dated as of July 1, 2012 (the "2012 Supplemental Indenture") by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the "2017 Supplemental Indenture", and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the "Indenture") and, in connection therewith the execution by Upstate Home for Children Foundation, Inc. (the "Guarantor") of the Series 2017 Guaranty of Foundation, (as such document is defined in the Indenture) and any other document to be executed by the Guarantor (collectively, the "Guarantor Documents") in connection with the issuance by the Issuer of the Bonds in order to assist in providing financing with which the Issuer can undertake a project (the "Project") consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Series 2017 Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the "Series 2017 Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2017 Equipment") (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the "Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, including issuance costs of the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and (D) the granting of exemptions from mortgage recording taxes..

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture except that, for purposes of this certificate, (A) all definitions with respect to any document

shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE OF THE GUARANTOR HEREBY CERTIFIES THAT:

1. I am duly authorized to execute and deliver this certificate in the name and on behalf of the Guarantor.

2. The Guarantor (A) has been duly formed, is validly existing and is in good standing as a not-for-profit corporation under the laws of the State of New York with full legal power and authority to own its Properties, conduct its business and execute, deliver and perform its obligations under the Guarantor Documents and (B) has taken all actions and obtained all approvals required in connection therewith.

3. Attached hereto as Exhibit A is a true, correct and complete copy of the Certificate of Incorporation of the Guarantor, together with all amendments thereto, certified by the New York State Department of State (the "Certificate"), as the same is in full force and effect on and as of the date of this certificate.

4. Attached hereto as Exhibit B is a true, correct and complete copy of the By-Laws of the Guarantor, together with all amendments thereto (the By-Laws, together with all amendments thereto, being collectively hereinafter referred to as the "By-Laws"), as the same are in full force and effect on and as of the date of this certificate.

5. Attached hereto as Exhibit C is a true, correct and complete copy of a certificate of good standing relating to the Guarantor from the New York State Department of State.

6. Attached hereto as Exhibit D is a true, correct and complete copy of the 501(c)(3) Determination Letter from the Internal Revenue Service relating to the Guarantor, together with all amendments thereto.

7. Attached hereto as Exhibit E are true, correct and complete copies of the resolution of the Board of Directors of the Guarantor (the "Guarantor Resolution") approving and authorizing execution and delivery by the Guarantor of the Guarantor Documents. Such Guarantor Resolution was duly adopted by the Board of Directors of the Guarantor, has not been amended or modified since its adoption and is in full force and effect as of the date of this Certificate in accordance with its terms.

8. Attached hereto as Exhibit F is a list of all material pending litigation relating to the Guarantor. Except as set forth in Exhibit F, there is no action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of such officer, threatened against, or affecting, the Guarantor, wherein an unfavorable decision, ruling or finding would in any way (A) question the corporate existence of the Guarantor or the right of any of its officers to their respective offices, (B) prohibit, restrain or enjoin the undertaking of the Project or the issuance, sale or delivery of the Bonds, (C) question or adversely affect the validity or enforceability of any of the Guarantor Documents or the transactions contemplated therein or in the Bonds, (D) result in damages in excess of the applicable insurance coverage or self insurance reserves of the Guarantor, (E) materially adversely affect the business, property or financial condition of the



Guarantor, or (F) cause interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

9. The undersigned has been duly designated to act as the “Authorized Representative” of the Guarantor pursuant to and in accordance with the provisions of the Loan Agreement.

10. There are no Liens against or overdue taxes, assessments, fees or other governmental charges payable by the Guarantor to the United States, the State of New York, or to our knowledge, to any other state or municipality in the United States.

11. The execution, delivery and performance of all agreements, certificates and documents required to be executed, delivered and performed by the Guarantor in order to carry out, give effect to and consummate the transactions contemplated by the Guarantor Documents have been duly authorized by all necessary action of the Guarantor. The Guarantor Documents are in full force and effect on and as of the date hereof, and no authority for the execution, delivery or performance of the Guarantor Documents has been repealed, revoked or rescinded.

12. The execution, delivery and performance of the Guarantor Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each by the Guarantor do not and will not (A) violate the Guarantor’s Certificate or the By-Laws or require consent under (which has not heretofore been received) or result in a breach of or default under any credit agreement, purchase agreement, indenture, mortgage, deed of trust, commitment, guaranty, lease or other agreement or instrument to which the Guarantor is a party or by which the Guarantor may be bound or affected, or (B) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Guarantor or any of the Property of the Guarantor.

13. The Guarantor has duly authorized the taking of and has taken any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Guarantor Documents.

14. No Event of Default specified in any of the Guarantor Documents has occurred and no event which with notice or lapse of time or both would become such an Event of Default has occurred and is continuing.

15. Each of the representations and warranties of the Guarantor in the Guarantor Documents is true, accurate and complete on and as of the date of this certificate with the same force and effect as though such representations and warranties were made on and as of the date hereof.

16. The Guarantor Documents have been each duly executed, acknowledged, where appropriate, and delivered on behalf of the Guarantor by an authorized officer of the Guarantor; the signature of said officer thereon genuine is the signature of said officer.

17. The Guarantor is not contemplating instituting bankruptcy, insolvency or any similar proceedings against itself.

18. The Guarantor has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied by the terms of the Guarantor Documents at or prior to the Closing Date.

19. As of the Closing Date there has been no material adverse change in the business, condition, Property, or prospects (financial or otherwise) of the Guarantor.

IN WITNESS WHEREOF, the undersigned has hereunder set his signature this 27<sup>th</sup> day of March, 2017.

UPSTATE HOME FOR CHILDREN FOUNDATION,  
INC.

BY: Patricia Stenseth  
Authorized Officer

The undersigned, Sarah Lewis Belcher, counsel to the Guarantor, hereby certifies that the signature of the officer of the Guarantor subscribed to and contained in the foregoing General Certificate of the Guarantor is true and genuine.

Sarah Lewis Belcher  
Sarah Lewis Belcher

EXHIBIT A  
CERTIFICATE OF INCORPORATION

---SEE ATTACHED---

CERTIFICATE OF INCORPORATION

of

UPSTATE HOME FOR CHILDREN FOUNDATION, INC.

Under Section 402 of the Not-For-Profit  
Corporation Law

We, the undersigned, being natural persons of at least twenty-one years of age, acting as incorporators of a charitable corporation under the New York Not-For-Profit Corporation Law, hereby adopt the following Certificate of Incorporation for such corporation.

1. NAME: The name of the proposed corporation is UPSTATE HOME FOR CHILDREN FOUNDATION, INC.

2. DESCRIPTION: The Corporation is formed under the New York Not-For-Profit Corporation Law and shall be a Type B Corporation under Section 201 of that law. The Corporation is not formed for pecuniary profit or financial gain, and no part of the net earnings of the Corporation shall inure to the benefit of any member, Trustee, Director, Officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation), and no member, Trustee, Officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

3. PURPOSES: (a) The Corporation is organized and operated exclusively for charitable purposes to be achieved through the distribution of its assets for the support and maintenance of the Upstate Home for Children, Inc. In the event that the Upstate Home for Children, Inc.

ceases to exist or is no longer qualified under the New York State Not-for-Profit Corporation Law or under the Internal Revenue Code of the United States; then the assets of the foundation shall be used to support and maintain any other qualified institutions sponsored by the American Baptist Churches of New York State, Inc. or an institution with purposes similar to those of Upstate Home for Children, Inc. This corporation will not operate as an educational institution as defined under the State Education Law.

(b) Notwithstanding any other provisions of these articles, the Corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the providing of facilities or equipment) or for the prevention of cruelty to children or animals, as specified in Section 501(a)(3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a Corporation exempt from Federal income tax under Section 501(c)(3) on the Internal Revenue Code of 1954.

(c) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Internal Revenue Code Section 501(h)) or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

10) Upon the dissolution of this organization, all of the remaining assets and property of the Corporation shall, after necessary expenses thereof, be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding Section of any future Federal Tax Code, or shall be distributed to the Federal Government, or to a State or local government for a public purpose, or to another organization to be used in such manner as the judgement of a Justice of the Supreme Court of the State of New York as will best accomplish the general purposes for which this Corporation was formed. Upon such dissolution, the Justice of the Supreme Court of the State of New York shall give first preference in making such distributions to qualified charitable organizations sponsored by the American Baptist Churches of New York State, Inc. or its successor in interest.

(e) Nothing contained in this Certificate of Incorporation shall authorize the corporation to establish or operate a hospital or to provide hospital or health related service, a certified home health agency, a hospice, a health maintenance organization, or a comprehensive health services plan, as provided for by Article 28, 36, 40 and 44, respectively, or the public Health Law or to solicit, collect or otherwise raise or obtain any funds, contributions, or grants from any source, for the establishment or operation of any hospital.

4. OFFICE: The corporation will have its office in Otsego County.

5. NUMBER AND ELECTION OF DIRECTORS: The corporation shall be managed by a board composed of no less than three directors. The directors shall be elected by the members of the corporation for a term as set by the By-Laws. The directors shall continue to hold such positions after their terms have expired and until their successors have been elected and assume such positions.

6. INITIAL DIRECTORS: The names and street addresses of the initial directors of the corporation are as follows:

NAME	ADDRESS
Dr. Sumner Grant	American Baptist Churches of New York State 3049 East Genesee Street Syracuse, New York 13224
Rev. William Carlsen	221 Maple Drive Fayetteville, New York 13306
Mr. Edward Misfeldt	East Main Street Extension Johnstown, New York 12095



The initial directors shall hold office until the first annual meeting of the members, at which meeting an election of directors shall be held in the manner hereinbefore provided.

7. CORPORATE POWERS: The corporation shall have all the powers given to Not-For-Profit corporations under the law of New York State.

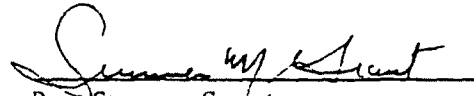
8. DURATION: The corporation shall have perpetual duration.

9. AGENT FOR SERVICE OF PROCESS: The Secretary of State of the State of New York is designated as the agent for the corporation upon whom process against it can be served.

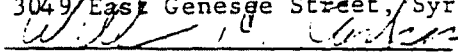
10. NOTICE: The post office address to which the Secretary of State shall mail a copy of process is:

Upstate Home for Children Foundation, Inc.  
R. D. 1, Box 155  
Oneonta, New York 13820

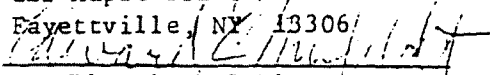
IN WITNESS WHEREOF, we have made, subscribed and acknowledged this Certificate of Incorporation in quadruplicate, this <sup>5<sup>th</sup></sup> day of February, 1987.

  
Dr. Sumner Grant

American Baptist Churches of New York State  
3049 East Genesee Street, Syracuse, NY 13224

  
Rev. William Carlsen  
221 Maple Drive

Fayetteville, NY 13306

  
Mr. Edward Misfeldt  
East Main Street Extension  
Johnstown, NY 12095

*Approved this 26<sup>th</sup> day of February, 1987.*

*Robert J. Sullivan, JSC*  
Judicial District

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

On this \_\_\_\_\_ day of February, 1987, before me personally came DR. SUMNER GRANT to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation of UPSTATE HOME FOR CHILDREN FOUNDATION, INC., and he duly acknowledged to me that he executed the same.

\_\_\_\_\_  
Notary Public  
New York  
State  
Commission Expires \_\_\_\_\_

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

On this \_\_\_\_\_ day of February, 1987, before me personally came REV. WILLIAM CARLSEN to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation of UPSTATE HOME FOR CHILDREN FOUNDATION, INC., and he duly acknowledged to me that he executed the same.

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

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

On this <sup>5th</sup> day of February, 1987, before me personally came MR. EDWARD MISFELDT to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation of UPSTATE HOME FOR CHILDREN FOUNDATION, INC., and he duly acknowledged to me that he executed the same.

Patricia W. Quinn  
Notary Public

PATRICIA W. QUINN  
Notary Public, State of New York  
Commission Expires March 30, 1987

EXHIBIT B  
BY-LAWS OF THE GUARANTOR

---SEE ATTACHED---

**UPSTATE HOME FOR CHILDREN FOUNDATION, INC.**

**AMENDED AND RESTATED BY-LAWS**

**ARTICLE I  
GENERAL**

**Section 1. Name.** This not-for-profit corporation shall be known as the Upstate Home for Children Foundation, Inc. (the "**Foundation**").

**Section 2. Principal Office.** The principal office of the Foundation shall be located in the County of Otsego, State of New York, and the Foundation may also have offices at such other places within or without the State of New York as the Board of Directors may from time to time determine or the business of the Foundation may require.

**ARTICLE II  
MEMBERS**

The Foundation is a "Type B" not-for-profit corporation whose sole member is Springbrook NY, Inc. ("**Springbrook**"). Any action or vote required or permitted to be taken by members under the laws of the State of New York shall be taken by action or vote of the board of directors of Springbrook. The individuals constituting the board of directors of Springbrook at any particular time shall automatically be the "members" of the Foundation under New York State's Not-For-Profit Corporation Law and such individuals shall have all of the rights and powers that may be possessed and exercised by members under applicable law and in accordance with these By-Laws.

**ARTICLE III  
BOARD OF DIRECTORS**

**Section 1. General.** The property, business, and affairs of the Foundation shall be vested in the Foundation and managed by a self-perpetuating Board of Directors, which shall have all the powers and duties necessary or appropriate for the administration of the affairs of the Foundation as are permitted by law, the Certificate of Incorporation of the Foundation, and these By-Laws. The Board of Directors shall be composed of Term Directors, who are entitled to vote, and Ex Officio Directors, who are not entitled to vote. Term Directors and Ex Officio Directors shall be referred to herein as "Directors" and together shall constitute the "Board of Directors." The Executive Minister of the American Baptist Churches of New York State shall have the right to appoint himself or a designee as a Term Director.

**Section 2. Ex Officio Directors.** The Springbrook Executive Director, Director of Finance, and Director of Advancement shall be Ex Officio Directors of the Foundation. Additional Ex Officio Directors shall be determined by a majority vote of the Term Directors from time to time, and shall serve a perpetual term until resignation or removal.

**Section 3. Number.** The Board shall consist of not less than six and not more than fifteen Term Directors, and not more than five Ex Officio Directors. The number of Directors may be increased or decreased by action of a majority of the Term Directors; provided, however, that no decrease shall shorten the term of any incumbent Term Director. At no time shall a majority of the Directors of the Foundation also serve as directors of Springbrook.

**Section 4. Election and Term.** Term Directors of the Foundation shall be elected by the Board of Directors at its annual meeting. Each Term Director shall serve a three-year term, until such director's successor shall have been elected and qualified. Each Term Director shall be limited to three consecutive terms.

**Section 5. Resignation.** A Director may resign from the Foundation at any time by presenting to the President a written letter of resignation. Such letter shall be presented to the Board by the President at the next meeting of the Board following receipt of such letter. Such resignation shall be effective upon receipt by the President unless otherwise specified in the letter of resignation. The acceptance of a resignation shall not be necessary to make it effective; however, no resignation shall discharge any accrued obligation or duty of a Director.

**Section 6. Removal.** Any Director may be removed for cause at any time by a vote of two-thirds of the Term Directors at any meeting, provided that notice of the proposed resolution to remove the Director has been stated in the notice of the meeting.

**Section 7. Vacancies and Newly-Created Directorships.** Whenever a vacancy shall occur in the Board for any reason or a directorship shall be created, it may be filled by vote of a majority of the Term Directors then in office, regardless of their number. Any Term Director so elected shall hold office until the next annual meeting of the Board at which the election of directors is in the regular course of business, and until such director's successor is elected and qualified. Any Ex Officio Director so elected shall hold office until resignation or removal.

**Section 8. Compensation.** No Director, as such, shall receive any compensation from the Foundation for service performed; however, by resolution of the Board, Directors may be reimbursed for reasonable and necessary expenses incurred in the performance of their official duties. Nothing herein contained shall be construed to preclude any Director from serving the Foundation in any other capacity and receiving compensation therefor.

#### **ARTICLE IV MEETINGS**

**Section 1. Annual Meeting.** The annual meeting of the Board shall be held in June, at the time and place designated by the Board upon at least two weeks prior notice, for the purpose of electing directors and officers, receiving the annual reports of the officers and committees of the Foundation, and transacting such other business as may properly come before the meeting.

**Section 2. Regular and Special Meetings.** Regular meetings of the Board may be held without notice at such time and place as the Board shall from time to time determine.

Special meetings of the Board shall be held upon two weeks notice to the Directors and may be called by the President at any time and by any Director upon written demand of not less than one fourth of the entire Board. Such requests shall state the purpose or purposes of the proposed meeting. Business transacted at special meetings shall be confined to the purpose or purposes stated in the notice of the meeting.

**Section 3. Place of Meetings.** The Board shall hold its meetings at the principal office of the Foundation or at such other places, either within or without the State of New York, as it may from time to time determine.

**Section 4. Notice of Meetings of the Board.** Regular meetings of the Board shall be held without notice. Written notice of any annual or special meeting of the Board, stating the place, date, and time of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given either personally, by facsimile or other electronic transmission, or by mail to each Director not less than five business days before the meeting. If mailed, notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the Director at such Director's address as it appears on the record of Directors or, if such Director shall have filed with the Secretary a written request that notices be mailed to such Director at some other address, then directed to such Director at such other address. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another specified time and place. Notice of the adjournment shall be given to all Directors who are absent at the time of the adjournment.

**Section 5. Waiver of Notice.** Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

**Section 6. Quorum and Vote.** Except as otherwise provided by law or in the Certificate of Incorporation, one-third (1/3) of the Term Directors shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Term Directors present at the time of a vote, if a quorum is present at such time, shall be the act of the Board.

**Section 7. Presumption of Assent.** A Director who is present at the meeting of the Board in which action on any corporate matters shall be taken shall be presumed to have entered into the action unless such Director votes against such action or abstains from voting because of a conflict of interest.

**Section 8. Chairman.** At all meetings of the Board, the President or, in his absence, the Vice President (or the Executive Vice President if there is more than one Vice President, or in his absence another Vice President nominated by the President), or in the absence of the President and the Vice President(s), a chairman chosen by the Board, shall preside.

**Section 9. Action of Directors Without a Meeting.** Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if

all of the members of the Board or committee consent in writing to the adoption of a resolution authorizing the action.

**Section 10. Meetings by Conference Telephone.** Any one or more of the Directors may participate in a meeting of the Board or any committee thereof by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

## ARTICLE V COMMITTEES

**Section 1. Standing Committees of the Board.** The Board may designate from its members the following standing committees, or by resolution adopted by a majority of the Term Directors may designate from among its members certain other standing committees of the Board, each consisting of three (3) or more Directors, and each of which, to the extent provided herein or in such resolution, shall have all the authority of the Board. Each committee shall serve at the pleasure of the Board.

- **Finance and Investment Committee** – This committee is responsible for the fiscal affairs and investments of the Foundation
- **Development Committee** – This committee is responsible for the promotion of Springbrook
- **Recruitment Committee** – This committee is responsible for the identification and nomination of prospective new Directors and the maintenance of the By-Laws.

**Section 2. Special Committees.** Special committees may be appointed by the Board for such special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the task(s) for which it is appointed and shall have no power to act except as specifically conferred by action of the Board. Upon completion of the task(s) for which appointed, the special committee shall stand discharged.

**Section 3. Committee Requirements.** All committees shall appoint a chairperson to conduct the meetings and report to the Board on its activities. All committees shall keep minutes of each of its meetings, which shall include a record of all matters discussed. Said minutes and records shall be presented to the Board at its next regular meeting. Any resolutions or proposed activities of the committee shall be submitted to the Board for approval prior to becoming effective.

**Section 4. Committee Meetings.** At all committee meetings, a quorum shall be equal to a majority of the members of the committee. A vote by a majority of the members present at a duly organized committee meeting shall constitute the action of the committee. A committee may act by unanimous written consent in lieu of a majority vote at a duly convened meeting. Each committee shall submit minutes of its meetings to the Secretary. Standing and special committee meetings may be called at any time upon notice from the committee chair.

## ARTICLE VI OFFICERS

**Section 1. Number.** The officers of the Foundation shall be a President, Secretary, Treasurer, and such other officers as the Board may elect. Any two or more offices may be held by the same person, except the office of President and Secretary.

**Section 2. Election and Term.** The officers of the Foundation shall be elected by the Board at any meeting of the Board for a two year term or until such officer's successor has been elected and qualified, or until the officer resigns or is removed in the manner hereinafter provided. No officer may hold office for more than nine years.

**Section 3. Removal.** Any officer may be removed at any meeting by the Board, with or without cause.

**Section 4. Vacancies.** In the event of the death, resignation, or removal of an officer, the Board may elect a successor to fill the unexpired term.

**Section 5. Compensation.** Compensation for all officers shall be fixed from time to time by the Board. Upon submission of a proper claim, officers shall be reimbursed for their reasonable expenses incurred in the performance of their duties. No officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a Director.

**Section 6. President.** The President shall be the chief executive officer of the Foundation; shall preside at all meetings of the Board; shall be invited to attend all committee meetings as a non-voting member thereof; shall have responsibility for the supervision and management of the business and affairs of the Foundation, subject to the control of the Board; and shall see that all orders and resolutions of the Board are carried into effect. The President shall have the power to sign and execute all contracts and instruments of conveyance in the name of the Foundation, to sign checks, drafts, notes, and orders for the payments of money, and to appoint and discharge agents and employees, subject to the approval of the Board. The President shall perform all the duties usually incident to the office of President.

**Section 7. Vice Presidents.** During the absence or disability of the President, the Vice President or, if there are more than one, the Executive Vice President, shall perform the duties and exercise all the powers of the President. Each Vice President shall perform such other duties as the Board or the President may from time to time prescribe.

**Section 8. Secretary.** The Secretary shall attend all meetings of the Board, record all votes and minutes of all proceedings in a book to be kept for that purpose, give or cause to be given notice of all annual and special meetings of the Board and all other notices required by law or by these By-Laws, keep in safe custody the seal of the Foundation and affix it to any instrument when so authorized by the Board or the President, keep all the corporate books and records of the Foundation as required by law or otherwise in a proper and safe manner, and



perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board or the President.

**Section 9. Treasurer.** The Treasurer shall have the custody of the corporate funds, securities, evidences of indebtedness, and other valuable documents; serve as chair of the Finance Committee; keep full and accurate accounts of receipts and disbursements in the corporate books; deposit all money and other valuables in the name and to the credit of the Foundation in such depositories as may be designated by the Board; disburse the funds of the Foundation as may be ordered or authorized by the Board and preserve proper vouchers for such disbursements; render to the President and Board at the regular meetings of the Board, or whenever they require it, an account of all transactions as Treasurer and of the financial condition of the Foundation; and render a full financial report at the annual meeting of the Foundation if so requested; be furnished by all corporate officers and agents at such Treasurer's request with such reports and statements as such Treasurer may require as to all financial transactions of the Foundation; and perform such other duties as from time to time may be prescribed by the Board or the President.

**Section 10. Sureties and Bonds.** In case the Board shall so require, any officer, employee, or agent of the Foundation may be required by the Board to execute a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of such officer's, employee's, or agent's duties to the Foundation and including responsibility for negligence and for the accounting for all property, funds, or securities of the Foundation which may come into such officer's, employee's or agent's hands.

**Section 11. Delegation of Duties.** In the absence or disability of any officer, or for any other reason deemed sufficient by the Board, the Board may delegate such officer's powers or duties to any other officer.

## **ARTICLE VII EXECUTION OF INSTRUMENTS**

All corporate instruments and documents shall be signed or countersigned, executed, verified, or acknowledged by the President or by such other officer or officers or other person or persons as the Board may from time to time designate.

## **ARTICLE VIII DIRECTORS' AND OFFICERS' LIABILITY AND INDEMNIFICATION**

### **Section 1. Indemnification.**

(a) Any person made or threatened to be made a party to any action or proceeding, other than one by or in the right of the Foundation to procure a judgment in its favor, whether civil or criminal, by reason of the fact that such person, such person's testator or intestate, was a Director or officer of this Foundation, shall be indemnified by this Foundation to the full extent permitted by law against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred by such person, such person's testator

or intestate as a result of such action or proceeding, or any appeal therein, if such Director or officer acted in good faith, for a purpose which such person reasonably believed to be the best interests of the Foundation and in criminal actions or proceedings, had no reasonable cause to believe that his conduct was unlawful.

(b) Any person made or threatened to be made a party to any action or proceeding by or in the right of the Foundation to procure a judgment in its favor, whether civil or criminal, by reason of the fact that such person, such person's testator or intestate, is or was a Director or officer of this Foundation, shall be indemnified by this Foundation to the full extent permitted by law against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred by such person, such person's testator or intestate in connection with the defense of such action or proceeding, or in connection with any appeal therein, if such Director or officer acted in good faith, for a purpose which such person reasonably believed to be the best interests of the Foundation except that no indemnification under this paragraph shall be made in respect of (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Foundation, unless and only to the extent that a court determines that such person is fairly and reasonably entitled to indemnity.

(c) Expenses incurred in defending a civil or criminal action or proceeding may be paid by the Foundation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay such amount in case such Director or officer receiving such advancement or allowance is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by the Foundation or allowed by the court exceed the indemnification to which such Director or officer is entitled.

(d) The right of indemnification provided in this Article VIII shall not be deemed exclusive of any other rights to which a Director or officer seeking indemnification or advancement of expenses may be entitled as provided in the Certificate of Incorporation or as provided by (1) a resolution of the Board or (2) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

**Section 2. Insurance.** The Board shall have the power to purchase and maintain insurance: (i) to indemnify the Foundation for any obligation which it incurs as a result of the indemnification of its Directors and officers under the provisions of this Article VIII; (ii) to indemnify Directors and officers in instances in which they may be indemnified by the Foundation; and (iii) to indemnify in instances in which they may not otherwise be indemnified by the Foundation under the provisions of this Article VIII, provided the contract of insurance covering such Directors and officers provides, to the extent required by law, for a retention amount and for co-insurance.

**Section 3. Repeal or Modification.** No repeal or modification of this Article VIII, including, without limitation, any repeal or modification of this Article VIII occurring upon the merger, consolidation, or dissolution of the Foundation, shall adversely affect, repeal, or modify

any right of indemnification for any act or omission which occurred or is alleged to have occurred while such right of indemnification was in place.

## **ARTICLE IX FISCAL MANAGEMENT**

**Section 1. Fiscal Year.** The fiscal year of the Foundation shall begin on the first day of July of every year. The commencement date of the fiscal year herein established shall be subject to change by the Board.

**Section 2. Books and Accounts.** The books and accounts of the Foundation shall be kept under the direction of the Treasurer in accordance with generally accepted accounting principles.

**Section 3. Auditing and Reports.** At the close of each fiscal year, the books and records of the Foundation shall be audited in accordance with generally accepted accounting principles, and the Board shall direct the President and Treasurer to present a full and correct statement of the affairs of the Foundation at the annual meeting of the Board and filed with the Secretary and other agencies as legally required.

## **ARTICLE X BY-LAW CHANGES**

The By-Laws may be adopted, amended, or repealed by a two-thirds (2/3) vote of all Term Directors, following at least eight (8) weeks notice to the Directors of the meeting and of the proposed action; provided, however, that such notice requirement may be waived upon a two-thirds (2/3) vote of all Term Directors.

## **ARTICLE X REFERENCES**

Reference to the Certificate of Incorporation in these By-Laws shall include all amendments thereto or changes thereof unless specifically excepted.

EXHIBIT C

CERTIFICATE OF GOOD STANDING  
RELATING TO THE GUARANTOR

---SEE ATTACHED---

**State of New York  
Department of State } ss:**

I hereby certify, that the Certificate of Incorporation of UPSTATE HOME FOR CHILDREN FOUNDATION, INC. was filed on 07/17/1987, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.

I further certify that no other documents have been filed by such corporation.



\*\*\*

*Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 16th day of March  
two thousand and seventeen.*

A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan W. Fitzgerald  
Executive Deputy Secretary of State

EXHIBIT D  
DETERMINATION LETTER

---SEE ATTACHED---

Internal Revenue Service

District  
Director

Department of the Treasury

RECEIVED SEP 11 1988

P.O. Box 1680, GPO Brooklyn, N.Y. 11202

Date: SEP 9 1988

Upstate Home For Children  
Foundation, Inc.  
RD1 Box 155  
Oneonta, NY 13820

Employer Identification Number:  
22-2906500  
Accounting Period Ending:  
June 30th  
Form 990 Required:  Yes  No  
Person to Contact:  
Dean J. Beresheim  
Contact Telephone Number:  
(212) 264-7238

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section(s) 509(a)(1) & 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Beginning January 1, 1984, unless specifically excepted, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more in a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Letter 947(DO)(5-77)

EXHIBIT E  
RESOLUTION OF BOARD OF DIRECTORS  
OF THE GUARANTOR

---SEE ATTACHED---



## **Upstate Home for Children Foundation, Inc.**

105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
CHIEF EXECUTIVE OFFICER

### **RESOLUTION OF THE BOARD OF DIRECTORS OF UPSTATE HOME FOR CHILDREN FOUNDATION, INC. IN REGARD TO THE GUARANTY OF A CERTAIN PROJECT**

#### **RESOLUTION #16-17 FA**

WHEREAS, Springbrook NY, Inc. ("Springbrook") will undertake and complete a project (the "Project") consisting of the acquisition, construction, renovation and equipping of:

- Parent Engagement Center to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #1 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #2 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #3 to be located at 105 Campus Drive, Oneonta, NY; and
- White Building Renovation to be located at 105 Campus Drive, Oneonta, NY; and
- Oneonta Campus Renovation to be located at 5588 State Highway 7, Oneonta, NY; and
- Spencer Drive House to be located at 6 Spencer Drive, Oneonta, NY; and
- Network Infrastructure to be located at various Springbrook locations

for the purpose of expanding its facilities for the provision of educational and clinical services for children and adults diagnosed with developmental disabilities and related activities; and

WHEREAS, the Project will be financed through a borrowing by Springbrook from the Otsego County Capital Resource Corporation (the "Issuer") through the issuance by the Issuer on behalf of Springbrook of Issuer's variable rate revenue bonds (the "Bonds") in a principal amount sufficient to pay the cost of acquiring, constructing, renovating and equipping the Project and to pay costs associated with the financing, but in no event in excess of \$10,500,000, plus all legal, Issuer fees, costs of issuance and other costs associated with the issuance of the Bonds (collectively, the "Issuance Costs"); and

WHEREAS, Citizens Funding Corp. (the "Purchaser") will purchase the Bonds and Springbrook, the Purchaser, the Issuer and Citizens Bank, N.A., as Purchaser's agent (the "Agent"), will enter into a bond purchase agreement and continuing covenants agreement; and

WHEREAS, as security for Springbrook's obligations under the continuing covenants agreement, the Bonds and any interest rate swap or similar hedging arrangement, the Purchaser requires Upstate Home for Children Foundation, Inc. (the "Foundation") to execute and deliver a

guaranty to the Purchaser and the Agent and to pledge gifts, grants and funds (collectively, "Pledges"), received with respect to the Project, as well as the account with Purchaser in which all Pledges shall be held ("Account");

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Foundation as follows:

Section 1. Guaranty of Springbrook Obligations. The Foundation is hereby authorized to guaranty to the Bank payment and performance of the obligations of Springbrook pursuant to the continuing covenants agreement, the Bonds and any interest rate swap or similar hedging arrangement and to execute and deliver a security agreement or modify an existing security agreement entered into in connection with the Initial Bonds with respect to the Pledges and Account in favor of the Bank on such terms and conditions as are customary in transactions of a similar kind.

Section 2. Bank Account. The Foundation is hereby authorized to open an account or accounts with the Bank.

Section 3. Further Authorization. The Chief Executive Officer, the Chief Operating Officer or the Director of Finance of the Foundation (each an "Authorized Officer") be, and hereby is, authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby. Notwithstanding any other provision of this resolution, each Authorized Officer of the Foundation shall have full authority and power on behalf of and in the name of the Foundation to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the guaranty authorized herein. The execution and delivery by either Authorized Officer of the guaranty, security agreement and other documents and agreements to be executed and delivered by the Foundation in connection with the transactions authorized herein shall be conclusive evidence of such officer's approval thereof.

Section 3. Effective Date. This resolution shall take effect immediately.

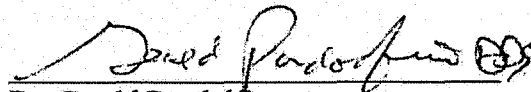
STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF OTSEGO    )

I, the undersigned, Secretary of Upstate Home for Children Foundation, Inc. (the "Foundation"), do hereby certify:

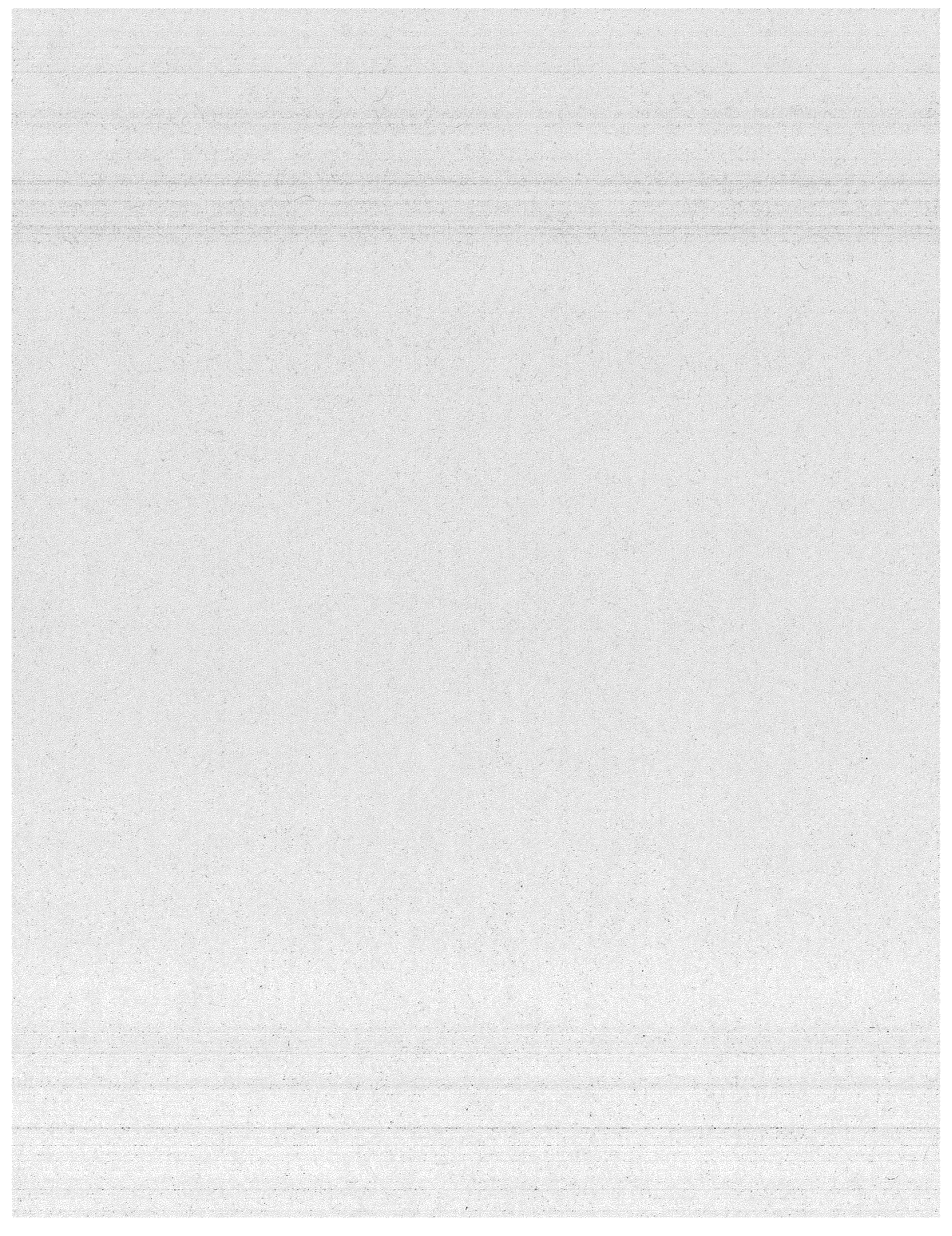
1. That I have compared the annexed resolution of the Board of Directors of the Foundation dated November 18, 2016, with the original thereof on file in my office and the same is a true and complete copy of the proceedings of the Board of Directors of the Foundation and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

2. I further certify that the attached resolution enacted by the Board of Directors of the Foundation amends UHC Resolution 15-16 B and has not been amended or repealed, and is in full force and effect on and as of the date of this Certificate.

IN WITNESS WHEREOF, I have hereunder set my hand on November 18, 2016.



Dr. Gerald Pondolfino  
Secretary  
Upstate Home for Children Foundation



## **Upstate Home for Children Foundation, Inc.**

---

105 Campus Drive • ONEONTA, NY 13820-9753 • TELEPHONE 607-286-7171 • FAX 607-286-7166

PATRICIA E. KENNEDY  
CHIEF EXECUTIVE OFFICER

### **RESOLUTION OF THE BOARD OF DIRECTORS OF UPSTATE HOME FOR CHILDREN FOUNDATION, INC. IN REGARD TO THE GUARANTY OF A CERTAIN PROJECT**

#### **RESOLUTION #16-17 FB**

WHEREAS, pursuant to Resolution #15-16 FB adopted by the Board of Directors of Upstate Home for Children Foundation, Inc. (the "Company") on February 12, 2016 ("Initial Resolution") and amended by Resolution #16-17 FA adopted November 18, 2016 ("First Amended Resolution" and, together with the Initial Resolution, the "Prior Resolutions"), the Company was authorized to guaranty payment and performance of certain obligations of Springbrook NY, Inc. ("Springbrook") in connection with the undertaking and financing of a project by Springbrook as more particularly described therein ("Original Project"); and

WHEREAS, the administration of Springbrook has recommended that Springbrook modify the Original Project as described in the Prior Resolutions to increase the number of houses and either utilize other sources of funding for or not pursue certain portions of the Original Project; and

WHEREAS, Springbrook will undertake and complete a project (the "Project") consisting of the acquisition, construction, renovation and equipping of:

- On-Campus Replacement House #1 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #2 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #3 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #4 to be located at 105 Campus Drive, Oneonta, NY; and
- On-Campus Replacement House #5 to be located at 105 Campus Drive, Oneonta, NY; and
- Network Infrastructure to be located at 105 Campus Drive, Oneonta, NY

for the purpose of expanding its facilities for the provision of educational and clinical services for children and adults diagnosed with developmental disabilities and related activities; and

WHEREAS, the Project will be financed through a borrowing by Springbrook from the Otsego County Capital Resource Corporation (the "Issuer") through the issuance by the Issuer on behalf of Springbrook of Issuer's variable rate revenue bonds (the "Bonds") in a principal

amount not to exceed \$10,500,000 to pay (i) the cost of acquiring, constructing, renovating and equipping the Project, (ii) certain costs associated with the financing, and (iii) certain legal, Issuer fees, costs of issuance and other costs associated with the issuance of the Bonds; and

WHEREAS, Citizens Funding Corp. (the "Purchaser") will purchase the Bonds and Springbrook, the Purchaser, the Issuer and Citizens Bank, N.A., as Purchaser's agent (the "Agent"), will enter into a bond purchase agreement and continuing covenants agreement; and

WHEREAS, as security for Springbrook's obligations under the continuing covenants agreement, the Bonds and any interest rate swap or similar hedging arrangement, the Purchaser requires Upstate Home for Children Foundation, Inc. (the "Foundation") to execute and deliver a guaranty to the Purchaser and the Agent and to pledge gifts, grants and funds (collectively, "Pledges"), received with respect to the Project, as well as the account with Purchaser in which all Pledges shall be held ("Account");

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Foundation as follows:

Section 1. Guaranty of Springbrook Obligations. The Foundation is hereby authorized to guaranty to the Bank payment and performance of the obligations of Springbrook pursuant to the continuing covenants agreement, the Bonds and any interest rate swap or similar hedging arrangement and to execute and deliver a security agreement or modify an existing security agreement entered into in connection with the Initial Bonds with respect to the Pledges and Account in favor of the Bank on such terms and conditions as are customary in transactions of a similar kind.

Section 2. Bank Account. The Foundation is hereby authorized to open an account or accounts with the Bank.

Section 3. Further Authorization. The Chief Executive Officer, the Chief Operating Officer or the Director of Finance of the Foundation (each an "Authorized Officer") be, and hereby is, authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby. Notwithstanding any other provision of this resolution, each Authorized Officer of the Foundation shall have full authority and power on behalf of and in the name of the Foundation to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the guaranty authorized herein. The execution and delivery by either Authorized Officer of the guaranty, security agreement and other documents and agreements to be executed and delivered by the Foundation in connection with the transactions authorized herein shall be conclusive evidence of such officer's approval thereof.

Section 3. Effective Date. This resolution shall take effect immediately.

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

I, the undersigned, Secretary of Upstate Home for Children Foundation, Inc. (the "Foundation"), do hereby certify:

1. That I have compared the annexed resolution of the Board of Directors of the Foundation adopted February 9, 2017, with the original thereof on file in my office and the same is a true and complete copy of the proceedings of the Board of Directors of the Foundation and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

2. I further certify that the attached resolution enacted by the Board of Directors of the Foundation amends Foundation Resolution #15-16 FB adopted February 12, 2016 and Resolution #16-17 FA adopted November 18, 2016 and has not been amended or repealed, and is in full force and effect on and as of the date of this Certificate.

IN WITNESS WHEREOF, I have hereunder set my hand on February 10, 2017.

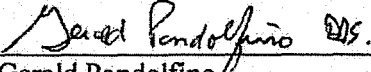
  
\_\_\_\_\_  
Dr. Gerald Pondolfino  
Secretary  
Upstate Home for Children Foundation

EXHIBIT F  
PENDING LITIGATION RELATING  
TO THE GUARANTOR

---NONE---



GENERAL CERTIFICATE  
OF  
MANUFACTURERS AND TRADERS TRUST COMPANY

This certificate is made in connection with the execution and delivery by Manufacturers and Traders Trust Company (the "Trustee") of a trust indenture dated as of September 1, 2010 (the "Initial Indenture") by and between Otsego County Capital Resource Corporation (the "Issuer"), a not-for-profit corporation duly organized and existing under the laws of the State of New York, and the Trustee, a supplemental trust indenture dated as of July 1, 2012 (the "2012 Supplemental Indenture") by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the "2017 Supplemental Indenture," and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the "Indenture") by and between the Issuer and the Trustee, as trustee for the holders of the Issuer's (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), and any other document to be executed by the Trustee (collectively with the Indenture, the "Trustee Documents") in connection with the issuance by the Issuer of the Series 2017 Bonds in connection with the undertaking by the Issuer of a project (the "Series 2017 Project") being undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the "Institution"), a New York not-for-profit corporation, said Series 2017 Project consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Series 2017 Land") of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the "Main Campus New Facility"); (2) the expansion and the making of improvements to the network infrastructure (collectively, the "Improvements") of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the "Series 2017 Facility"); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Series 2017 Equipment") (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the "Series 2017 Project Facility"), all of the foregoing to constitute an expansion of the Institution's facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the "Financial Assistance"); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement") by and between the Issuer and the Institution.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Indenture shall have the meanings ascribed to them in the Indenture, except that, for purposes of this

certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate, and not as of any future date or to any successor or assign.

THE UNDERSIGNED OFFICER OF THE TRUSTEE HEREBY CERTIFIES THAT:

1. I am an officer of the Trustee and am duly authorized to accept for the Trustee the duties of Trustee under the Indenture, to execute and deliver the Trustee Documents on behalf of the Trustee and to authenticate the Series 2017 Bonds on behalf of the Trustee, all as provided in the certificate of authority executed by an authorized officer of the Trustee (the "Certificate of Authority") attached hereto as Exhibit A.

2. The Trustee is a banking corporation organized and existing under the laws of the State of New York, is authorized under its Certificate of Incorporation and by-laws (the "Organization Documents") and the constitutional and statutory provision governing the Trustee, to act as a fiduciary and to engage in the activities of a corporate trustee in the State of New York and to perform its functions as Trustee and as paying agent under the Trustee Documents, has the power to enter into the Trustee Documents and to carry out its obligations thereunder and has properly authorized the execution, delivery and performance of the Trustee Documents.

3. The Indenture and the other Trustee Documents have each been duly executed, acknowledged and delivered on behalf of the Trustee by an authorized officer of the Trustee, and each such Trustee Document constitutes a valid and binding agreement of the Trustee. The Series 2017 Bonds have been duly authenticated on behalf of the Trustee by an authorized officer of the Trustee.

4. Neither the execution and delivery of the Trustee Documents, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will conflict with or result in a breach of any of the terms, conditions or provisions of the Trustee's Organization Documents or any other documents under which the Trustee was formed or is governed or any order, judgment, agreement or instrument to which the Trustee is a party or by which it is bound, or will constitute a default under any of the foregoing.

5. Each of the Trustee Documents is a valid and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws relating to fraudulent conveyances or affecting the enforcement of rights of creditors of the Trustee generally and equitable principles of general applicability.

6. There is no litigation or proceeding pending at law or in equity against the Trustee or, to the best of my knowledge, threatened in any judicial, quasi-judicial or administrative forum which challenges the validity of the Trustee Documents or any resolution or other action of the Trustee adopted or taken in connection with the Trustee Documents, or which seeks to enjoin any of the transactions contemplated by such instrument or the performance by the Trustee of any of its obligations under the Trustee Documents, or which in any way contests the existence or the powers of the Trustee, or which would in any way adversely affect the Series 2017 Project Facility.

7. All necessary action has been taken by the Trustee for the approval, execution and delivery by the Trustee of the Trustee Documents and any and all such other agreements, documents and approvals as are required to be executed, delivered and received by the Trustee in order to carry out, give effect to and consummate the transactions contemplated thereby.

IN WITNESS WHEREOF, the Trustee has caused this certificate has been executed in its name and on its behalf by the undersigned authorized officer of the Trustee and to be dated as of this 27<sup>th</sup> day of March, 2017.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

BY: Haroon A. Quid  
Authorized Officer

EXHIBIT A  
COPY OF CERTIFICATE OF AUTHORITY

**Certificate of Authority**  
**of the**  
**Manufacturers and Traders Trust Company**

I, Aaron G. McManus, a Vice President of Manufacturers and Traders Trust Company (“M&T Bank”), do hereby certify that the following is an abstract of Article IV, Section 13 of the Bylaws of M&T Bank, which are now in force:

“The Chairman of the Board, the Vice Chairmen of the Board, the Chief Executive Officer, the President, any Vice President, any Assistant Vice President, any Banking Officer, the Corporate Secretary, any Assistant Secretary, and the Treasurer shall each have power and authority:

“To sign, countersign, certify, issue, assign, endorse, transfer and/or deliver notes, checks, drafts, bills of exchange, certificates of deposit, acceptances, letters of credit, advices for the transfer or payment of funds, orders for the sale and for delivery of securities, guarantees of signatures, and all other instruments, documents and writings in connection with the business of M&T Bank in its corporate or in any trust or fiduciary capacity;

“To sign the name of M&T Bank and affix its seal, or cause the same to be affixed, to deeds, mortgages, satisfactions, assignments, releases, proxies, powers of attorney, trust agreements, and all other instruments, documents or papers necessary for the conduct of the business of M&T Bank, either in its corporate capacity or in any trust or fiduciary capacity;

“To endorse, sell, assign, transfer and deliver any stocks, bonds, mortgages, notes, certificates of interest, certificates of indebtedness, certificates of deposit and any evidences of indebtedness or of any rights or privileges which now are or may hereafter be held by or stand in the name of M&T Bank, either in its corporate capacity, or in any fiduciary or trust capacity, and to execute proxies, powers of attorney or other authority with respect thereto;


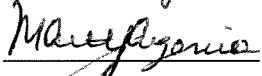
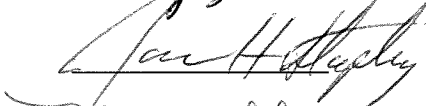
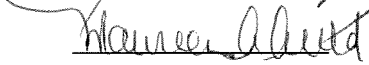
“To accept on behalf of M&T Bank any guardianship, receivership, executorship or any general or special trust specified in the Banking Law of the State of New York;

“To authenticate or certificate any bonds, debentures, notes, or other instruments issued under or in connection with any mortgage, deed of trust or other agreement or instrument under which M&T Bank is acting as trustee or in any other fiduciary capacity;

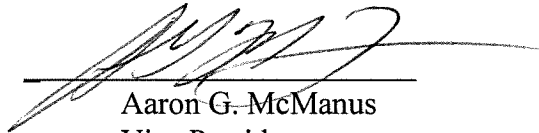
“To sign, execute and deliver certificates, reports, checks, orders, receipts, certificates of deposit, interim certificates, and other documents in connection with its duties and activities as registrar, transfer agent, disbursing agent, fiscal agent, depository, or in any other corporate fiduciary capacity.

“The powers and authority above conferred may at any time be modified, changed, extended or revoked, and may be conferred in whole or in part on other officers and employees by the Board of Directors or the Executive Committee.”

I further certify that the following persons are the duly elected, qualified, and acting incumbents of the offices set forth below, and that the signatures set forth opposite their names are their true and genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
Steven J. Wattie	Vice President	
M. Anthony Argenio	Vice President	
Joan H. Stapley	Assistant Vice President	
Maureen A. Auld	Assistant Vice President	

IN WITNESS WHEREOF, I have hereunto set my hand this 17<sup>th</sup> day of March, 2017.

  
Aaron G. McManus  
Vice President

*New York State*  
*Department of Financial Services*

I, **YOLANDA FORD**, Deputy Superintendent, Community and Regional Banks, Banking Division, New York State Department of Financial Services, **DO HEREBY CERTIFY:**

**THAT**, the records in the Office of the Superintendent of Financial Services indicate that **MANUFACTURERS AND TRADERS TRUST COMPANY** is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

**THAT**, the Organization Certificate of **MANUFACTURERS AND TRADERS TRUST COMPANY** was filed in the Office of the Superintendent of Financial Services on September 13, 1892, under the title of **THE FIDELITY TRUST & GUARANTY COMPANY OF BUFFALO** and such corporation was authorized on June 27, 1893; and

**THAT**, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Financial Services as of the dates specified:

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **THE FIDELITY TRUST COMPANY OF BUFFALO** - filed March 13, 1901*

*Certificate of Amendment of the Certificate of Incorporation providing for a decrease in number of directors - filed January 4, 1912*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 17, 1918*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 30, 1919*

*Certificate of Extension of Existence changing existence to perpetual - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 15, 1925*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed May 14, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed May 16, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS' & TRADERS' - PEOPLES TRUST COMPANY** - filed May 16, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed July 18, 1928*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 10, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 17, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **M & T TRUST COMPANY** - filed October 22, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed February 10, 1930*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed January 30, 1933*



*New York State*  
*Department of Financial Services*

*Certificate of Amendment of the Certificate of Incorporation providing for a reduction in capital stock - filed January 9, 1934*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed June 11, 1934*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed January 16, 1941*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 21, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 18, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 27, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed April 27, 1946*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 29, 1946*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed November 30, 1949*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of purposes, powers and provisions of the Corporate Charter - filed January 13, 1950; and*

**THAT**, a Restated Organization Certificate was approved and filed in the Office of the Superintendent of Financial Services on August 6, 1954; and

**THAT**, the following amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Financial Services as of the dates specified:

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 8, 1955*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 31, 1955*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed March 7, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 23, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 30, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 29, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1958*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed December 2, 1958*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 19, 1959*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed June 30, 1959*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1960*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed February 29, 1960*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1961*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1963*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 17, 1964*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed January 14, 1965*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 16, 1966*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 4, 1971*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 20, 1984; and*

***THAT**, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Financial Services on February 26, 1991; and*

***THAT**, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Financial Services on May 22, 1992; and*

***THAT**, a Restated Organization Certificate was filed in the Office of the Superintendent of Financial Services on April 1, 2003; and*

***THAT**, a Restated Organization Certificate providing for **MANUFACTURERS AND TRADERS TRUST COMPANY** to also be known as **M&T BANK** was filed in the Office of the Superintendent of Financial Services on September 9, 2004; and*

***THAT**, a Restated Organization Certificate was filed in the Office of the Superintendent of Financial Services on March 17, 2011; and*

***THAT**, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Financial Services except those set forth above; and*

*New York State*  
*Department of Financial Services*

**I DO FURTHER CERTIFY THAT, MANUFACTURERS AND TRADERS TRUST COMPANY** is validly existing as a banking organization with its principal office and place of business located at **One M & T Plaza, Buffalo, New York.**

**WITNESS**, my hand and official seal of the Department of Financial Services at the City of New York, this 3<sup>rd</sup> day of **March** in the Year **two thousand and seventeen.**

  
\_\_\_\_\_  
**Deputy Superintendent**  
**Community and Regional Banks**

# The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

## BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Otsego County Capital Resource Corporation

(Name of Issuer and Co-Issuer(s), if applicable)

May 21, 2012

(Date)

The Depository Trust Company  
55 Water Street, 15L  
New York, NY 10041-0099  
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: (Note: Issuer shall represent one and cross out the other.)

[incorporated in] [formed under the laws of] the State of New York

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

**Note:**  
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted  
THE DEPOSITORY TRUST COMPANY

By: Jeanne Maurer

 **DTC**  
The Depository Trust &  
Clearing Corporation

Otsego County Capital Resource Corporation

(Issuer)

By: Carolyn Lewis

(Authorized Officer's Signature)

Carolyn Lewis, Chief Executive Officer

(Print Name)

242 Main Street

(Street Address)

Oneonta, New York U.S.A. 13820

(City)

(State)

(Country)

(Zip Code)


607-432-8871

(Phone Number)

lewisc@otsegocounty.com

(E-mail Address)

BLOR 08/10/11



**Proposal for Trustee Services  
for the Otsego County  
Capital Resource Corporation  
The Springbrook New York, Inc. Project  
Series 2017 A - C**

**Prepared by  
Manufacturers and Traders Trust Company  
Corporate Trust Services  
One M&T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203**

**Maureen A. Auld  
Assistant Vice President  
Corporate Trust Services  
(716) 842-5662  
[mauld@wilmingtontrust.com](mailto:mauld@wilmingtontrust.com)**

**Joseph Baker  
Vice President  
Corporate Trust Services  
(302) 255-4967  
[jbaker1@wilmingtontrust.com](mailto:jbaker1@wilmingtontrust.com)**

**November 14, 2016**

 **M&T Bank**

# **Manufacturers and Traders Trust Company**

## **M&T Bank – Corporate Trust Services**

### **Experience**

Manufacturers and Traders Trust Company, (“M&T Bank”) was founded in 1856 and is considered one of the country's most highly regarded banks. Our parent company, M&T Bank Corporation is one of the top twenty largest bank holding companies in the nation with combined assets of over \$123 billion. M&T Bank has banking offices in New York, New Jersey, Maryland, Delaware, Washington DC, Virginia, West Virginia, and Pennsylvania staffed by over 15,000 employees with a strong local commitment to the clients and communities we serve.

Corporations, municipalities, financial institutions, and other government entities have relied on M&T Bank for over seventy-five years to provide quality cost-effective corporate trust services. A continuing commitment has been made to meet the demands of an ever-changing marketplace by upgrading technology and making an investment in personnel development. M&T Bank prides itself on meeting the typical selection criteria: cost, quality of services, and experience, while having the flexibility required to meet the changing demands of today's market.

M&T Bank has extensive experience in all aspects of the Corporate Trust Industry. Our experience includes traditional services for municipal and corporate debt issues, as well as experience servicing all types of Insurance portfolios. We also have experience servicing transactions utilizing Delaware Statutory Trusts, including Asset-Backed Securitizations, Leveraged Lease-Backs and TOPRS. As of September 30, 2016, M&T Bank was ranked fourth in the country for Municipal Trustee New Business according to statistical data compiled by Thomson Financial.

Overall, M&T Bank serves as the Trustee and/or Paying Agent and Registrar for over 5,000 bond issues representing over \$110 billion in bonds outstanding. We currently service over 1,000 escrow arrangements involving all categories of third party transactions. We are committed to providing high quality corporate trust services, based out of our regional offices in Buffalo, New York; Baltimore, Maryland; Harrisburg, Pennsylvania; and Wilmington, Delaware.

M&T Bank is large enough to offer the Otsego County Capital Resource Corporation - the Springbrook New York, Inc. Project the wide range of services and experience required, while remaining customer-focused, delivering highly personalized service. The combination of experience, dedicated personnel, state-of-the-art systems, and a commitment to provide quality cost-effective services makes M&T Bank the ideal Corporate Trust service provider for this transaction.

# **Manufacturers and Traders Trust Company**

## **Staffing**

The Otsego County Capital Resource Corporation - the Springbrook New York, Inc. Project relationship will be assigned a team consisting of Trust Administrators, Back-Up Administrators, and Staff Assistants who are experienced corporate trust professionals and are dedicated to servicing your Corporate Trust needs. This organizational structure seeks to insure the delivery of high quality services and the efficient exchange of information and ideas. For this corporate trust relationship, we will provide reliable, responsive service and the rapid resolution of problems and inquiries. This service commitment will include regular calls to make sure our service is meeting your service requirements.

We will service this relationship from our Buffalo, New York Corporate Trust Administrative Center.

### **Aaron G. McManus, CCTS, Vice President Regional Manager**

Aaron McManus is Vice President and Regional Manager in Corporate Trust Services at M&T Bank in Buffalo. He is familiar with principles of corporate and municipal finance and federal regulations as they pertain to banking and corporate trust and is responsible for the implementation of procedures governed by document requirements. This includes compliance, due diligence, investments and disbursements. Before working in the Corporate Trust Services Group, Mr. McManus worked in Retail Banking and was responsible for selling and servicing banking and investment products. Prior to joining M&T Bank in 1996, Mr. McManus was a Financial Advisor for an Investment Firm in Pittsburgh, Pennsylvania. His responsibilities included investment analysis and sales. Mr. McManus received his Bachelor of Science Degree in Economics from John Carroll University and his Masters of Business Administration from Canisius College. He has also obtained the nationally recognized status of Certified Corporate Trust Specialist.

### **Michelle M. Wojciechowicz, CCTS, Vice President Team Leader**

Michelle M. Wojciechowicz is a Vice President and Team Leader in the M&T Investment Group. She is responsible for the implementation of procedures governed by Trust Indenture document requirements. This includes compliance documentation and due diligence, investments and disbursements. Prior to joining M&T Bank in 1998, Ms. Wojciechowicz was a Paralegal for the law firm of Smith, Murphy & Schoepperle in Buffalo, New York, where her primary focus was personal defense insurance litigation on the historic Love Canal case. Ms. Wojciechowicz received her Bachelor of Science Degree in Criminal Justice and Paralegal Certificate from State University College at Buffalo and a Master of Science Degree in Sports Administration from Canisius College. She has obtained the nationally recognized status of Certified Corporate Trust Specialist.



# **Manufacturers and Traders Trust Company**

## **Steven J. Wattie, CCTS, Vice President Team Leader**

Steven J. Wattie is a Vice President and Team Leader in Corporate Trust Services at M&T Bank in Buffalo. He is responsible for the implementation of procedures governed by Trust Indenture document requirements. This includes compliance documentation and due diligence, investments and disbursements. Before working in the Corporate Trust Services Group, Mr. Wattie worked in the Trust Operations area and was responsible for the incoming and outgoing wire transfers for the entire Trust Division. Prior to joining M&T Bank in 1987, Mr. Wattie was a Public Relations Director for the United Consumers Club in Largo, Florida. His responsibilities included benefit education and the processing of memberships. Mr. Wattie received his Bachelor of Science Degree in Consumer Financial Advising from Purdue University. He has also obtained the nationally recognized status of Certified Corporate Trust Specialist.

## **Maureen A. Auld, CCTS, Assistant Vice President Relationship Manager**

Maureen Auld is an Assistant Vice President in the M&T Investment Group. She is familiar with principles of corporate and municipal finance and federal regulations as they pertain to banking and corporate trust and is responsible for the implementation of procedures governed by document requirements. This includes compliance, due diligence, investments and disbursements. Before working in the Corporate Trust Administration Department, Ms. Auld worked in Corporate Trust Operations and Trust Operations where she was responsible for Bond Transfers and DTCC settlement respectively. Ms. Auld has been with M&T Bank for over 20 years and has worked in the Lockbox Department as well as in retail as a Customer Service Representative. Ms. Auld has also obtained the nationally recognized status of Certified Corporate Trust Specialist.

## **Technical Capabilities**

M&T Bank uses Trust3000, a trust accounting system provided by SEI Investments. SEI is a global provider of investment processing and asset management services to financial institutions, corporate and government entities and professional investment counselors. The Corporate Trust Operations unit uses Trustware programs to meet the processing and reporting requirements of bond issues. This system is a comprehensive bond accounting system used for bearer, book-entry and registered bond issues. The system is completely on-line and real-time. The system is redundantly configured, so that it will recover from any hardware or software failure.

On line access is provided through Webfolio, our internet-based inquiry and reporting system, which offers a full range of inquiry, reporting and down loading capabilities.

# Manufacturers and Traders Trust Company

## WebFolio

M&T provides direct, on-line, real time access to your portfolios through our WebFolio system via the Internet. WebFolio access gives you the ability to review account activity and holdings at your convenience, 24 hours per day, 7 days per week. Reports can be easily exported to other applications such as Excel. By accessing our system through the Web, you may exercise a wide variety of inquiry functions on your portfolios. These include:

- Transaction Information—The standard on-line transaction inquiry will show all the activity in your account for the period you specify. In addition, other variations of the transaction inquiry will select only the types of transactions you require.
  
- Asset/Holdings Information—The investment detail report includes all assets and can be produced by asset class. Available data fields include asset type, quantity, price, pricing date, market value, CUSIP, cost, and percentage of total account.

INVESTMENT DETAIL							15-Mar-2002	
							Account Overview   Edit   Clear	
							(Pending activity may affect over)	
SMITH	#1401							
Asset Type	Asset Name	Current Alloc	Quantity	Current Price	Date Priced	Current Value	Total Cost	
CashEqv	CASH - INCOME	2.4%	66,031.5500	1.0000		\$66,031.55	\$66,031.55	
CashEqv	CASH - PRINCIPAL	0.4%	(66,031.5500)	1.0000		(\$66,031.55)	(\$66,031.55)	
CashEqv	MONEY MKT - AF84	0.2%	250,250.2700	100.0000%	01-Mar-2001	\$250,250.27	\$250,250.27	

Virtually all the inquiry functions used internally at M&T can be made available to you. Through your compatible personal computer and internet service provider, you may view your portfolio on-line and in real time.

WebFolio allows the on-line user to customize the screen view so that only the desired fields are shown. This customization can be permanently saved or can be just for the current session. These customized reports easily can be exported to standard spreadsheet applications. Creating a custom view is a standard feature of WebFolio.

# Manufacturers and Traders Trust Company

## Investment Options

M&T Bank uses the Blackrock Liquidity Funds Dollar Shares Money Market portfolios for cash balance investments. These are SEC registered mutual funds managed by Blackrock.

### Blackrock Liquidity Funds Dollar Shares

#### Blackrock Treasury Fund- Fund 63

The fund seeks to provide current income consistent with stability of principal. The fund pursues its objective by investing primarily in a portfolio of U.S. Treasury securities maturing in 397 days or less. The fund has the highest possible ratings from Standard & Poor's and Moody's which underscores the portfolio's high credit quality and relative safety. This is a portfolio of US Treasuries and repurchase agreements (collateralized by Treasury securities), which assures a high degree of quality and safety.

#### Blackrock Fed Fund - Fund 31

The fund seeks to provide current income consistent with stability of principal. The fund pursues its objective by investing primarily in a portfolio of short-term U.S. Treasury and government agency securities, including repurchase agreements collateralized fully by U.S. Treasury and government agency securities. The fund has the highest possible ratings from Standard & Poor's, Moody's and Fitch which underscores the portfolio's high credit quality and relative safety. As compared to a fund that holds only Treasury securities, the fund seeks potentially higher yields through investment in short-term government agency and repurchase agreements.

M&T Bank also offers investments in the Federated Funds, Fidelity Funds and Wilmington Funds, if the Blackrock Funds are not appropriate for your situation. Investments in our Money Market Fund offerings do not incur an investment transaction fee. Investment in money market funds not offered by M&T Bank will incur a 25 basis point annual sweep fee. A current prospectus is available on request.

# Manufacturers and Traders Trust Company

## Fee Proposal for Trustee Services for the Otsego County Capital Resource Corporation The Springbrook NY, Inc. Project Series 2016 A-C

Based on our current understanding, M&T Bank proposes the following fee schedule:

### Trustee Fees (Passive Mode):

Acceptance Fee: One time only, Payable at closing	\$ 2,000 includes all Series
Annual Trustees Fee (Passive Mode): Payable in advance, at closing and on each anniversary date thereafter	\$ 1,000 per Series
Disbursement Fee:	\$ 15 per wire, ACH or check
Trustees Counsel Fee:	\$ 4,000 includes all Series

### Investment Transaction Fee:

\$ 20 each

Investments through money market funds offered by the Trustee do not incur the investment transaction fee. Investments in money market funds not offered by the Trustee will incur a 25 basis point annual sweep fee. A current prospectus is available on request.

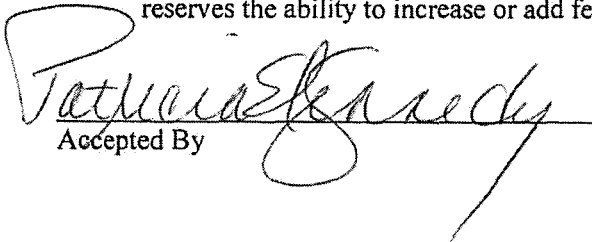
### Investment Contract Fee:

Costs associated with guaranteed investment contracts, forward purchase agreements or flexible repurchase agreements would be priced according to our duties and the securities involved as collateral.

### Notes to the Fee Schedule:

- When and if the bond structure requires an Active Trustee, M&T Bank will increase our fee schedule to be consistent with similar fee structures in place at that time for similar duties and responsibilities.
- The fees as quoted and acceptance of the duties are subject to the satisfactory review and acceptance of all related documents by M&T Bank and our counsel. In the event the transaction changes before closing, M&T Bank reserves the right to review and renegotiate the fees accordingly.
- Extraordinary services and expenses will be billed in accordance with the duties and responsibilities involved. In the event there are new government regulations that impose additional duties, liabilities or responsibilities on the service provider, M&T Bank reserves the ability to increase or add fees based on the situation.

Accepted By



Date

3/27/17

CLOSING ITEM NO.: F-1

GENERAL CERTIFICATE

OF

CITIZENS BANK N.A.

This certificate is made in connection with the execution and delivery by Citizens Bank N.A. (the “Agent”), as administrative agent on behalf of Citizens Funding Corp. (the “Holder”), of the bond purchase and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and between Otsego County Capital Resource Corporation (the “Issuer”), Springbrook NY, Inc. (the “Institution”), the Holder, and the Agent and any other document to be executed by the Agent (collectively, the “Agent Documents”) in connection with the issuance by the Issuer of its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”), which Series 2017 Bonds were issued pursuant to a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”) by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture”, and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee in order to assist in providing financing with which the Issuer can undertake a project (the “Series 2017 Project”) consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement”) by and between the Issuer and the Institution.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Indenture shall have the meanings ascribed to them in the Indenture, except that, for purposes of this

certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate, and not as of any future date or to any successor or assign.

THE UNDERSIGNED OFFICER OF THE AGENT HEREBY CERTIFIES THAT:

1. I am an officer of the Agent and am duly authorized to execute and deliver the Agent Documents on behalf of the Agent.

2. The Agent is a national banking association organized and existing under the laws of the United States of America, has the power to enter into the Agent Documents and to carry out its obligations thereunder and has properly authorized the execution, delivery and performance of the Agent Documents.

3. Neither the execution and delivery of the Agent Documents, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will conflict with or result in a breach of any of the terms, conditions or provisions of the Agent's charter or by-laws or any other documents under which the Agent was formed or is governed or any order, judgment, agreement or instrument to which the Agent is a party or by which it is bound, or will constitute a default under any of the foregoing.

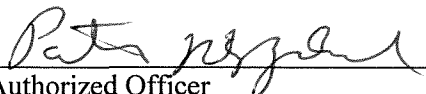
4. Each of the Agent Documents is a valid and binding obligation of the Agent, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws relating to fraudulent conveyances or affecting the enforcement of rights of creditors of the Agent generally and equitable principles of general applicability.

5. There is no litigation or proceeding pending at law or in equity against the Agent or, to the best of my knowledge, threatened in any judicial, quasi-judicial or administrative forum which challenges the validity of the Agent Documents or any resolution or other action of the Agent adopted or taken in connection with the Agent Documents, or which seeks to enjoin any of the transactions contemplated by such instrument or the performance by the Agent of any of its obligations under the Agent Documents, or which in any way contests the existence or the powers of the Agent, or which would in any way adversely affect the Project Facility.

6. All necessary action has been taken by the Agent for the approval, execution and delivery by the Agent of the Agent Documents and any and all such other agreements, documents and approvals as are required to be executed, delivered and received by the Agent in order to carry out, give effect to and consummate the transactions contemplated thereby.

IN WITNESS WHEREOF, the Agent has caused this certificate to be executed this 27<sup>th</sup> day of March, 2017.

CITIZENS BANK, N.A.

BY:   
Authorized Officer

CLOSING ITEM NO.: G-1

GENERAL CERTIFICATE  
OF  
CITIZENS FUNDING CORP.

This certificate is made in connection with the execution and delivery by Citizens Funding Corp. (the “Holder”), of the bond purchase and continuing covenants agreement dated as of March 1, 2017 (the “Continuing Covenants Agreement”) by and between Otsego County Capital Resource Corporation (the “Issuer”), Springbrook NY, Inc. (the “Institution”), the Citizens Bank, N.A. (the “Agent”), as administrative agent of the Holder, and the Holder and any other document to be executed by the Holder (collectively, the “Holder Documents”) in connection with the issuance by the Issuer of its (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”), which Series 2017 Bonds were issued pursuant to a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “Series 2012A Supplemental Indenture”) by and between the Issuer and the Trustee, and a supplemental trust indenture dated as of March 1, 2017 (the “Series 2017 Supplemental Indenture”, and together with the Initial Indenture and the Series 2012A Supplemental Indenture being collectively referred to as the “Indenture”) by and between the Issuer and the Trustee in order to assist in providing financing with which the Issuer can undertake a project (the “Series 2017 Project”) consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement”) by and between the Issuer and the Institution.



Capitalized terms used herein which are not otherwise defined herein and which are defined in the Indenture shall have the meanings ascribed to them in the Indenture, except that, for purposes of this certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate, and not as of any future date or to any successor or assign.

THE UNDERSIGNED OFFICER OF THE HOLDER HEREBY CERTIFIES THAT:

1. I am an officer of the Holder and am duly authorized to execute and deliver the Holder Documents on behalf of the Holder.

2. The Holder is a corporation organized and existing under the laws of the State of New Hampshire, has the power to enter into the Holder Documents and to carry out its obligations thereunder and has properly authorized the execution, delivery and performance of the Holder Documents.

3. Neither the execution and delivery of the Holder Documents, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will conflict with or result in a breach of any of the terms, conditions or provisions of the Holder's charter or by-laws or any other documents under which the Holder was formed or is governed or any order, judgment, agreement or instrument to which the Holder is a party or by which it is bound, or will constitute a default under any of the foregoing.

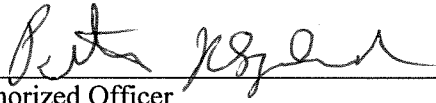
4. Each of the Holder Documents is a valid and binding obligation of the Holder, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws relating to fraudulent conveyances or affecting the enforcement of rights of creditors of the Holder generally and equitable principles of general applicability.

5. There is no litigation or proceeding pending at law or in equity against the Holder or, to the best of my knowledge, threatened in any judicial, quasi-judicial or administrative forum which challenges the validity of the Holder Documents or any resolution or other action of the Holder adopted or taken in connection with the Holder Documents, or which seeks to enjoin any of the transactions contemplated by such instrument or the performance by the Holder of any of its obligations under the Holder Documents, or which in any way contests the existence or the powers of the Holder, or which would in any way adversely affect the Project Facility.

6. All necessary action has been taken by the Holder for the approval, execution and delivery by the Holder of the Holder Documents and any and all such other agreements, documents and approvals as are required to be executed, delivered and received by the Holder in order to carry out, give effect to and consummate the transactions contemplated thereby.

IN WITNESS WHEREOF, the Holder has caused this certificate to be executed this 27<sup>th</sup> day of March, 2017.

CITIZENS FUNDING CORP.

BY:   
Authorized Officer

CLOSING ITEM NO.: G-2

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street, 5<sup>th</sup> Floor  
Oneonta, New York 13820

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York 12207

Re: (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000; (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000; and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 issued by Otsego County Capital Resource Corporation

Ladies and Gentlemen:

Citizens Funding Corp. (the "Holder") proposes to purchase and make a credit facility available to Springbrook NY, Inc. (the "Institution") evidenced by the (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the "Series 2017A Bonds"); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the "Series 2017B Bonds"); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the "Series 2017C Bonds," and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the "Series 2017 Bonds"), to be issued by Otsego County Capital Resource Corporation (the "Issuer"). We understand that the Series 2017 Bonds are being issued for the primary purpose of financing a portion of the cost of the expansion of the facilities for the Institution for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities located in the Town of Milford, Otsego, New York (the "Project Facility"), and the proceeds of the Series 2017 Bonds will be loaned by the Issuer to the Institution pursuant to (a) a certain amendment to loan agreement dated as of March 1, 2017 (the "Series 2017 Amendment to Loan Agreement," and together with the initial loan agreement dated as of dated September 1, 2010 (the "Initial Loan Agreement") and the amendment to loan agreement dated as of July 1, 2012 (the "Series 2012A Amendment to Loan Agreement"), collectively referred to as the "Loan Agreement"). We further understand that the Series 2017 Bonds will be secured by (A) a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the "Series 2017 Mortgage") by and among the Issuer, the Institution, and Citizens Bank, N.A., as administrative agent on behalf of the Holder (the "Agent"), which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the "Series 2017 Mortgage Assignment"); (B) a certain security agreement, dated as of March 1, 2017 (the "Series 2017 Security Agreement") by and between the Institution and the Agent, which grants to the Agent a security interest in, among other things,

certain personal property of the Institution, and (C) an amendment to pledge and assignment from the Issuer to Manufacturers and Traders Trust Company, as trustee (the "Trustee") dated as of March 1, 2017 (the "Series 2017 Amendment to Pledge and Assignment," and together with the initial pledge and assignment dated September 1, 2010 (the "Initial Pledge and Assignment") and the amendment to pledge and assignment dated as of July 1, 2012 (the "Series 2012A Amendment to Pledge and Assignment"), collectively referred to as the "Pledge and Assignment").

In connection with the issuance and our purchase of the Series 2017 Bonds, the Holder hereby makes the following representations upon which you may rely:

1. The Holder is acquiring the Series 2017 Bonds for investment and not with a present view to, or for resale in connection with, any distribution of the Series 2017 Bonds or any part thereof. The Holder, intends to hold the Series 2017 Bonds for its own account, and does not intend at this time to dispose of all or any part of the Series 2017 Bonds.

2. The Holder, understands that none of the principal documents relating to the Series 2017 Bonds, including but not limited to the Series 2017 Bonds and the Loan Agreement have been registered under the Securities Act of 1993, as amended (the "Act") in reliance upon a specific exemption under the provisions of the Act which depends, in part, upon the Holder's investment intent. The Holder realizes that, in the view of the Securities and Exchange Commission (the "Commission"), a purchase now with an intent to resell, or in connection with the contemplated liquidation or settlement of any loan obtained by the Holder for the acquisition of the Series 2017 Bonds and for which the Series 2017 Bonds was pledged as security, would represent a purchase with an intent inconsistent with the Holder's representation to you, and the Commission might regard such a sale or disposition as a deferred sale to which the exemption is not available.

3. The Holder acknowledges that it is familiar with the condition, financial and otherwise, of the Project Facility, the Issuer, and the Institution. To the extent deemed appropriate in making its investment decision, the Holder has discussed their respective financial conditions and their respective current and proposed corporate and business activities with the Issuer and the Institution. The Holder further acknowledges that it has such knowledge and experience in business matters that it is fully capable of evaluating the merits and risks of investing in the Series 2017 Bonds, and that it is able to bear the economic risks of such investment. The Issuer and the Institution have allowed the Holder, during the course of the transaction, (1) unlimited access to all their books, records, files, plans and personnel and to the same kind of information that (a) is specified in Schedule A of the Act and (b) would be included in a registration statement filed under the Act on the form the Institution would be entitled to use, and (2) to obtain any other information about their affairs which the Holder has believed to be desirable for its purposes. The Holder has made such inquiries as the Holder has believed to be desirable for its purposes and the Holder has obtained all information it regards necessary for its decision to purchase the Series 2017 Bonds.

CITIZENS FUNDING CORP.

BY:   
Authorized Officer

CLOSING ITEM NO.: G-3

**LETTER OF THE BANK REGARDING THE PURCHASE  
PRICE AND AVERAGE WEIGHTED MATURITY OF THE BONDS**

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York 12207

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

This letter is furnished by the undersigned, as an authorized officer of Citizens Bank, N.A., as the administrative agent (the "Agent") for Citizens Funding Corp, as initial purchaser ("Initial Purchaser") of the above-referenced bonds (the "Bonds") on the date hereof, to provide Otsego County Capital Resource Corporation (the "Issuer") and Hodgson Russ LLP, as Bond Counsel in respect of the Bonds, with certain information in connection with the issuance of the Bonds. Unless otherwise defined, capitalized terms used herein shall have the same meanings as in the Initial Tax Regulatory Agreement to which this letter will be attached. As Agent, Citizens Bank, N.A. hereby represents and certifies as follows:

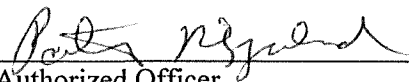
(A) The Initial Purchaser has agreed to purchase the Bonds from the Issuer at a purchase price of \$10,500,000 (the "Purchase Price"), representing the aggregate principal face amount of the Bonds.

(B) The Initial Purchaser does not intend to offer the Bonds to the public. Because the Bonds are being privately placed, the Issue Price of the Bonds is determined on the basis of the price paid by the Initial Purchaser of the Bonds, and accordingly the Purchase Price of the Bonds, for purposes of the two percent (2%) cost of issuance limitation of Section 147(g) of the Code and the calculation of the Yield on the Bonds, is the "issue price" within the meaning of Section 1.148-1(b) of the Treasury Regulations which should be utilized in calculating the Yield on the Bonds.

(C) We have calculated the “average maturity” of the Bonds, within the meaning ascribed to such quoted phrase in Section 147(b) of the Internal Revenue Code of 1986, as amended (the “Code”), to be equal to **15.7721 years**.

The representations and other information contained herein is provided solely for your benefit in connection with the sale of the Bonds and may be relied upon by Hodgson Russ LLP, Bond Counsel, in connection with their opinion regarding the Bonds.

CITIZENS BANK, N.A.

BY:   
Authorized Officer

***KURT D. SCHULTE***  
***Attorney at Law***  
***12 Club Avenue***  
***Oneonta, New York 13820***

(607) 434-3156

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Springbrook NY, Inc.  
105 Campus Drive  
Oneonta, NY 13820

Manufacturers and Traders Trust Company, as Trustee  
One M&T Plaza, 7<sup>th</sup> Floor  
Corporate Trust & Agency Services  
Buffalo, New York 14203-2399

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, NY 13202

Citizens Funding Corp.  
875 Elm Street  
Manchester New Hampshire 03101

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

I have acted as counsel to Otsego County Capital Resource Corporation (the "Issuer") in connection with the preparation of the following:

Otsego County Capital Resource Corporation  
Springbrook NY, Inc.  
Manufacturers and Traders Trust Company  
Citizens Bank, N.A.  
Citizens Funding Corp.  
March 27, 2017  
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(A) a certain resolution adopted by the members of the Issuer on July 28, 2016 (the “Bond Resolution”) authorizing the issuance, execution, sale and delivery of the Issuer’s (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”), in connection with a project (the “Series 2017 Project”) undertaken by the Issuer consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and together with the initial loan agreement dated as of dated September 1, 2010 (the “Initial Loan Agreement”) and the amendment to loan agreement dated as of July 1, 2012 (the “Series 2012A Amendment to Loan Agreement”), collectively referred to as the “Loan Agreement”) by and between the Issuer and the Institution;

(B) a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”), and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture”, and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”);



Otsego County Capital Resource Corporation  
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(C) a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution, and Citizens Bank N.A. (the “Agent”), as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the “Holder”), which grants to the Agent, among other things, a mortgage lien on and security interests in, among other things, the Series 2017 Project Facility; the Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”);

(D) an amendment to pledge and assignment from the Issuer to the Trustee dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and together with the initial pledge and assignment dated September 1, 2010 (the “Initial Pledge and Assignment”) and the amendment to pledge and assignment dated as of July 1, 2012 (the “Series 2012A Amendment to Pledge and Assignment”), collectively referred to as the “Pledge and Assignment”), which Pledge and Assignment will assign to the Trustee certain of the Issuer’s rights under the Loan Agreement to the Trustee to further secure the Series 2017 Bonds;

(E) a certain non-arbitrage certificate dated the date hereof (the “Arbitrage Certificate”); and

(F) a certain information return for private activity bond issues (the “Form 8038”).

I have, as counsel to the Issuer, examined original or certified copies of the proceedings of the Issuer taken with respect to the Series 2017 Bonds, as well as certificates of the Issuer’s officers, a certified copy of the Bond Resolution, the executed Series 2017 Bonds and executed counterparts of the Indenture, the Loan Agreement, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, the Pledge and Assignment, and any other document now or hereafter executed by the Issuer in connection with the issuance of the Series 2017 Bonds (collectively, the “Issuer Documents”), the Arbitrage Certificate and the Form 8038. I have also examined such statutes, court decisions, proceedings and other documents as I have considered necessary or appropriate in the circumstances to render the following opinions. Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In my examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, I have assumed that all documents executed by a person or persons other than the Issuer have been duly executed and delivered by said other person or persons and that said documents, to the extent they create obligations, constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon my examination of the foregoing, and in reliance upon the matters and subject to the limitations contained in the concluding paragraphs of this opinion, I am of the opinion (except that no opinion is given with respect to any federal or state securities law or any law concerning zoning or subdivision matters or as to the law of any jurisdiction other than the State of New York) that:

Otsego County Capital Resource Corporation  
Springbrook NY, Inc.  
Manufacturers and Traders Trust Company  
Citizens Bank, N.A.  
Citizens Funding Corp.  
March 27, 2017  
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1. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the “County”) adopted a resolution on October 1, 2008 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Issuer under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer. On October 15, 2009, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Issuer as a public instrumentality of the County.

2. Under the Enabling Act, it is the purpose of the Issuer to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions. In accordance with the Enabling Act, the Issuer has determined to issue the Series 2017 Bonds, and loan the proceeds thereof to the Institution to construct and install the Series 2017 Project Facility.

3. The members of the board of directors of the Issuer (and the officers of the Issuer) identified in the Issuer’s general certificate delivered on this date have been duly appointed as such directors by the Otsego Board of Representatives (and duly elected by the board of directors as such officers) and are qualified to serve as such.

4. The Issuer has power and lawful authority under the Enabling Act to execute and deliver the Issuer Documents; to borrow the amount of money provided for by the Issuer Documents for its corporate purposes; to issue and sell the Series 2017 Bonds as provided for in the Issuer Documents in order to evidence such borrowing; to loan the proceeds of the Series 2017 Bonds to the Institution pursuant to the Loan Agreement; to pledge and assign to the Trustee, pursuant to the Pledge and Assignment, certain revenues derived and to be derived by the Issuer from the Loan Agreement; to accept a Lien on and security interest in the Series 2017 Project Facility from the Institution pursuant to the Series 2017 Mortgage; to assign the Series 2017 Mortgage to the Agent pursuant to the Series 2017 Mortgage Assignment; and to perform and observe the provisions of the Issuer Documents and the Series 2017 Bonds on its part to be performed and observed.

5. The Bond Resolution has been duly adopted by the members of the Issuer, complies with the procedural rules of the Issuer and the requirements of the laws of New York, and the Bond Resolution has not been supplemented, amended, or repealed and remains in full force and effect on the date hereof.

6. By the Bond Resolution, the Issuer has duly authorized the loan of the proceeds of the Series 2017 Bonds to the Institution, the execution and delivery of the Issuer Documents, the execution and delivery of the Arbitrage Certificate and the Form 8038 and the issuance, execution, sale and delivery of the Series 2017 Bonds.

7. The making and performance by the Issuer of the Issuer Documents and the consummation of the transactions on the part of the Issuer therein contemplated will not violate any applicable provision of any applicable law, regulation, decree, writ, order or injunction or any applicable provision of the Act, and will not contravene the provisions of or constitute a default under any material term of any agreement, indenture, bond resolution or other instrument to which the Issuer is a party or by which the Issuer is bound; provided, however, that no opinion is expressed as to the terms of laws, regulations, rules, judgments or orders with respect to the physical acquisition, construction, installation, occupancy or operation of the Series 2017 Project Facility.

8. The Issuer Documents have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered by authorized officers of the Issuer, and, assuming the due authorization, execution and delivery of same by the other parties thereto, constitute legal, valid and binding special obligations of the Issuer.

9. The Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer and constitutes a legal, valid and binding special obligation of the Issuer.

10. No additional or further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body not already obtained is required for the making and performance by the Issuer of the Issuer Documents or the Series 2017 Bonds or for the performance by the Issuer of the transactions contemplated thereby; provided, however, that no opinion is expressed as to the terms of laws, regulations, rules, judgments or orders with respect to the physical acquisition, construction, installation, occupancy or operation of the Series 2017 Project Facility.

11. The Issuer has not been served with a summons in any action and, to the best of my knowledge, there is no litigation pending or threatened in any court, either state or federal, calling into question the creation, organization or existence of the Issuer, the validity of the Series 2017 Bonds or any of the other Issuer Documents, or the authority of the Issuer to acquire, construct and install the Series 2017 Project Facility or to enter into or perform the Issuer Documents or the Series 2017 Bonds.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally

Otsego County Capital Resource Corporation  
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or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

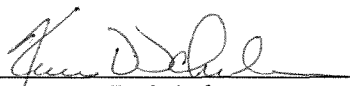
I express no opinion with respect to (A) title to all or any portion of the Series 2017 Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Series 2017 Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Series 2017 Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Series 2017 Project Facility or with respect to the requirement of filing or recording of any of the Financing Documents, or (D) the laws of any jurisdiction other than the State of New York and the tax laws of the United States of America.

Insofar as the foregoing opinions express or involve conclusions as to compliance by the Issuer with the provisions of Article Eight of the Environmental Conservation Law of the State of New York, I have relied upon the accuracy of the conclusions contained in the SEQR Resolution adopted by the members of the Issuer on July 28, 2016 to the effect that the acquisition of the Series 2017 Project Facility, and the financing thereof by the Issuer, will not have a significant effect upon the environment; provided, however, that I am not passing upon nor do I assume any responsibility for the accuracy, completeness, or fairness of the statements, information or conclusions contained in the foregoing and I make no representation that I have independently verified the accuracy, completeness, or fairness of any such statements, information or conclusions.

This opinion is rendered as of the date hereof, and no opinion is expressed as to matters referred to herein on any subsequent date.

This opinion may not be relied upon by, nor may a copy hereof be given to, any person or entity other than the addressees hereof without my express written consent.

Very truly yours,

By   
Kurt D. Schulte

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street, 5<sup>th</sup> Floor  
Oneonta, New York 13820

Manufacturers and Traders Trust Company, as Trustee  
One M&T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203

Citizens Bank, N.A., as administrative agent and swap provider  
250 South Clinton Street, Suite 202  
Syracuse, New York 13202

Re: Otsego County Capital Resource Corporation  
up to \$5,550,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
up to \$500,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
up to \$4,450,000 Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C

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Ladies and Gentlemen:

We have acted as counsel to Springbrook NY, Inc., a New York not-for-profit corporation (the “Institution”) in connection with the issuance and sale by the Otsego County Capital Resource Corporation (the “Issuer”) of the above-captioned bonds (the “Bonds”) and certain related transactions involving interest rate swaps entered into between the Institution and Citizens Bank, N.A. (the “Swap Provider”).

We have also acted as counsel to Upstate Home for Children Foundation, Inc. (the “Guarantor”) in connection with the execution and delivery by Guarantor of a Guaranty dated as of March 1, 2017 in favor of Citizens Funding, Inc. (the “Holder”).

This opinion is furnished to you pursuant to Section 5.2(c)(xix) and (xx) of the Bond Purchase Agreement and Continuing Covenants Agreement dated as of March 1, 2017 (the “Bond Purchase Agreement”) among the Institution, the Issuer, the Holder and Citizens Bank, N.A., as administrative agent (the “Agent”). Unless otherwise defined herein, terms defined in the Bond Purchase Agreement used herein shall have the meanings given to them in the Bond Purchase Agreement.

In rendering this opinion, we have examined executed counterparts of the Series 2017 Supplemental Indenture between the Issuer and Manufacturers and Traders Trust Company, as Trustee (“Trustee”) with consent thereto by the Institution, the Tax Regulatory Agreement, the Series 2017 Amendment to Loan Agreement between the Issuer and the Institution with consent thereto of the Trustee, the Mortgage by the Institution to the Agent and the Issuer, the Bond Purchase Agreement, the Security Agreement, the Environmental Indemnity Agreement, the Building Loan Agreement and the Assignment of Construction Documents between the Institution and the Issuer, the Series 2017 Amendment to Pledge and Assignment between the Issuer and the Trustee and acknowledged by the Institution, the Guaranty from Guarantor to the Holder, all dated as of March 1, 2017, the ISDA Master Agreement, dated as of March 27, 2017, between the Institution and the Swap Provider, and Schedules to the Master Agreement, each dated as of March 27, 2017, between the Institution and the Swap Provider (collectively, the “Transaction Documents”) and the UCC-1 Financing Statements with regard to the Pledged Collateral naming the Institution as debtor and the Issuer and/or the Agent as secured party (the “Financing Statements”). We have also examined originals, or copies certified or otherwise identified to our satisfaction, of such documents and records of the Institution and Guarantor and such other documents as we have deemed necessary or appropriate for the purposes of this opinion. In rendering our opinion, we have, with your consent, assumed that each of the Transaction Documents to which the Institution or Guarantor is a party has been duly executed and delivered by the parties thereto (other than the Institution and Guarantor), and that each Transaction Document constitutes the legal, valid and binding obligation of the parties thereto (other than the Institution and Guarantor), enforceable against the parties (other than the Institution and Guarantor) in accordance with the respective terms of each Transaction Document. We have also assumed (i) the genuineness of all signatures (other than signatures of officers of the Institution and Guarantor), (ii) the authenticity of all documents submitted to us as originals, and (iii) the conformity to authentic original documents of all documents submitted to us as certified, conformed or photostatic copies.

As to factual matters relevant to our opinion, we have relied upon the representations and warranties made by the Institution and Guarantor in the Transaction Documents. Whenever the phrase “to the best of our knowledge” is used in this opinion, it refers to the conscious awareness of attorneys in our firm who were actively involved in the negotiation of the Transaction Documents and the preparation of this opinion, but no further inquiry, review or investigation was made by us.

Based on the foregoing, and subject to the qualifications set forth herein, we are of the opinion that:

1. The Institution and Guarantor are each a not-for-profit corporation duly formed, validly existing and in good standing under the laws of the State of New York with all corporate power and authority to own its properties and conduct its affairs.

2. The Institution is qualified as a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provision of prior law, and has received a letter from the Internal Revenue Service to that effect, which letter, to the best of our knowledge, has not been modified, limited or revoked.

3. The Institution and Guarantor each has the corporate power and authority to (a) enter into the Transaction Documents in which it is named as a party, (b) carry out the transactions contemplated by the Transaction Documents in which it is named as a party, and (c) perform its obligations under the Transaction Documents in which it is named as a party.

4. The execution and delivery of the Transaction Documents and the performance of the obligations of the Institution and Guarantor under such Transaction Documents have been duly authorized by all necessary action on the part of the Institution and Guarantor.

5. Each of the Institution and Guarantor duly executed and delivered the Transaction Documents in which it is named a party and each such Transaction Document in which it is named a party constitutes a legal, valid and binding obligation of the Institution and Guarantor, respectively, enforceable against the Institution and Guarantor, respectively, in accordance with its terms, except as the enforceability thereof may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditor's rights generally, (b) general equitable principles (whether enforcement is sought by proceedings in equity or at law), and (c) applicable laws that may limit the enforceability of or render ineffective certain rights or remedies in the Transaction Documents, but in our opinion the rights and remedies available to you in respect thereof are sufficient to permit the practical realization of the principal benefits conferred by the Transaction Documents.

6. The execution and delivery of the Transaction Documents to which the Institution or Guarantor is named as a party, the performance by the Institution and Guarantor of their obligations thereunder, and the compliance by the Institution and Guarantor with the provisions thereof, will not (i) violate or be in conflict with any federal or New York law, (ii) violate or be in conflict with any provision of the respective certificate of incorporation or by-laws of the Institution or Guarantor, (iii) to the best of our knowledge, violate or contravene any judgment, decree, injunction, writ or order of any court, or any arbitrator or other Governmental Authority, having jurisdiction over the Institution or Guarantor, or its properties, or by which the Institution or Guarantor may be bound, or (iv) to the best of our knowledge, violate or conflict with, or constitute a default under or result in the termination of, accelerate the performance required by or result in the creation of any Lien upon any of the assets or properties of the Institution or Guarantor (except as contemplated under the Transaction Documents) under the terms of any indenture, mortgage, deed of trust, loan or credit agreement to which the Institution or Guarantor is a party or by which it is bound or to which any of its properties or assets are subject.

7. No authorization, consent, approval, license, exemption of, or filing or registration with, any Governmental Authority, or approval or consent of any other Person, other

than those previously obtained, is required for the due execution, delivery or performance by, or enforcement against, the Institution or Guarantor of the Transaction Documents to which it is a party, except for recordings or filings in connection with the perfection of the Liens created by the Transaction Documents in favor of the Agent or the Issuer.

8. To the best of our knowledge, there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or threatened to retain or enjoin the execution and delivery of any of the Transaction Documents or which if an unfavorable decision, ruling or finding is rendered would materially adversely affect the validity or enforceability of the Transaction Documents.

9. The Series 2017 Mortgage and the Security Agreement are sufficient to create in favor of the Issuer and the Agent valid security interests in and liens on all of the items of collateral of the Institution described therein (the "Collateral") in which a security interest may be created under Article 9 of the Uniform Commercial Code of the State of New York (the "Code") to the extent applicable thereto. Upon the filing of the Financing Statements with the Office of the Secretary of State of New York, and in the Office of the Otsego County Clerk, the Agent will have a perfected security interest in all of the Collateral to which a security interest may be perfected by filing of a UCC-1 financing statement under the Code.

10. The Series 2017 Mortgage is in a form sufficient to comply with the recording requirements in the State of New York and, upon recordation in the Office of the County Clerk of Otsego County, New York together with the recordation therein of the Assignment of Mortgage from the Issuer to the Agent, payment of any applicable mortgage recording tax thereon, and the filing of the Financing Statements related to the Series 2017 Mortgage in such office (with appropriate indexing in the real estate records therein) and the Office of the Secretary of State of the State of New York, the Series 2017 Mortgage and the Financing Statements will perfect, in favor of the Agent and the Issuer, legal and valid liens on all rights, title and interest of the Institution in and to the property described therein, to the extent a lien thereon may be perfected under New York law by recording of a mortgage or the filing of a UCC-1 financing statement under the Code.

The opinions expressed in paragraphs 9-10 above are subject to the following qualifications:

(a) The Code requires the Financing Statements be continued not more than six months before the expiration of the thirtieth anniversary of the original filing date of the Financing Statements.

(b) The continuation of the perfection of the security interest in proceeds is subject to the provisions of Section 9-315 of the Code as in effect in the State of New York.

(c) We express no opinion as to the Institution's or Guarantor's rights and/or title to any property in which you have been granted a lien.



March 27, 2017

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(d) In the case of property which could become Collateral after the date hereof, Section 552 of the Federal Bankruptcy Code limits the extent to which property acquired by a debtor after the commencement of a case under the Federal Bankruptcy Code may be subject to a security interest arising from a security agreement entered into by the debtor before the commencement of such case.

(e) We express no opinion as to the priority of the mortgage liens or security interests created by the Transaction Documents.

We express no opinion as to the laws of any jurisdiction other than the State of New York and the federal laws of the United States of America.

This opinion is rendered solely for your benefit and your successors and assigns and is not to be relied upon by any other person or entity for any purpose, except we recognize this opinion shall be made a part of the transcript for proceedings relating to the Bonds and may also be relied upon by Hodgson Russ LLP, bond counsel to the Issuer.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly stated herein, and this opinion must be read in conjunction with the substance, limitations, exceptions, qualifications set forth in this letter.

This opinion is rendered as of the date hereof, and no opinion is express as to matters referred to herein on any subsequent date.

Very truly yours,



BOND, SCHOENECK & KING, PLLC

March 27, 2017  
Otsego County Capital Resource Corporation  
242 Main Street  
Oneonta, New York 13820

Re: *\$5,850,000 Otsego County Capital Resource Corporation Tax-Exempt  
Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017A*  
*\$500,000 Otsego County Capital Resource Corporation Tax-Exempt  
Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017B*  
*\$4,150,000 Otsego County Capital Resource Corporation Tax-Exempt  
Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project),  
Series 2017C*

Ladies and Gentlemen:

We have acted as counsel to Manufacturers and Traders Trust Company (the "Trustee") in connection with the execution and delivery by the Trustee of that certain Series 2017 Supplemental Indenture, dated as of March 1, 2017, between the Otsego County Capital Resource Corporation (the "Issuer") and the Trustee, as trustee (the "Trustee Document").

The opinions set forth in this letter are subject to the following qualifications:

1. The opinions set forth in this letter are based solely upon (a) our review of, as submitted to us, (i) the Trustee Document, (ii) that certain Trust Indenture, dated as of September 1, 2010, between the Issuer and the Trustee, (iii) the Organization Certificate of the Trustee, (iv) a Certificate of Authority of Manufacturers and Traders Trust Company, dated March 17, 2017, executed by an officer of the Trustee (the "Certificate of Authority"), which contains an extract of the By-Laws of the Trustee, and (v) a Certificate, dated March 3, 2017, from the Deputy Superintendent of Banks of the State of New York as to the Trustee (the "Governmental Certificate") (items (a)(i) through (a)(v) being collectively the "Reviewed Documents"), (b) as to factual matters, the conscious awareness of information by those of our present attorneys who have had primary responsibility for reviewing and negotiating the Trustee Document on behalf of the Trustee (collectively the "Attorney Information") and (c) as to legal matters, our review of such published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (a) any of the files and other records of the Trustee or any court or other governmental authority or (b) any of our files and other

records).

2. We have assumed without any inquiry or other investigation (a) the legal capacity of each natural person, (b) the genuineness of each signature on any of the Reviewed Documents, the accuracy and completeness of each of the Reviewed Documents, the authenticity of each of the Reviewed Documents submitted to us as an original, the conformity to the original of each of the Reviewed Documents submitted to us as a copy and the authenticity of the original of each of the Reviewed Documents submitted to us as a copy, (c) the accuracy on the date of this letter as well as on the date stated in the Certificate of Authority or the Governmental Certificate of each statement contained therein and the accuracy on the date of this letter as well as on the date made of each statement as to any factual matter contained in any other of the Reviewed Documents other than any statement as to any factual matter within the scope of the Attorney Information, (d) the constitutionality or validity of any statute, rule, regulation or other law not being at issue, (e) there not existing outside of the Reviewed Documents, the Attorney Information, the laws of the State of New York and the federal laws of the United States anything that would render incorrect any opinion set forth in this letter, (f) the due incorporation of the Trustee, the due adoption and filing of each amendment to the Certificate of Incorporation or the Organization Certificate of the Trustee and the due adoption of the original By-Laws of the Trustee and each amendment to the By-Laws of the Trustee, (g) the unconditional physical delivery of the Trustee Document by the Trustee, (h) the satisfaction of each legal requirement applicable to any party to the Trustee Document other than the Trustee to the extent necessary to make such Trustee Document enforceable against such party, (i) the satisfaction of each legal requirement applicable to the status of any party to the Trustee Document other than the Trustee to the extent that such status relates to any right of such party to enforce such Trustee Document against the Trustee, (j) there not having occurred with respect to any transaction contemplated by the Trustee Document any mutual mistake of fact or misunderstanding, fraud, duress or undue influence or any conduct that does not comply with any requirement of good faith, fair dealing or conscionability, (k) each party to the Trustee Document other than the Trustee having acted in good faith and without any notice of any defense against the enforcement of any right granted to such party by such Trustee Document or any adverse claim to any property on which any lien is created, or any property that or any interest in which is transferred, by such Trustee Document and (l) there existing no agreement or understanding, whether written or oral, and there existing no usage of trade or course of dealing that would limit, define, supplement or qualify any provision of the Trustee Document.

3. We do not express any opinion concerning any laws other than the laws of the State of New York and the federal laws of the United States.

4. To the extent that any opinion set forth in this letter is based upon any statement contained in the Governmental Certificate, such opinion is limited to the meaning ascribed to such statement by the issuer of the Governmental Certificate.

5. Any opinion set forth in this letter (a) deals only with the specific legal issue or issues it explicitly addresses and does not address any other matter, (b) addresses only

laws that, in our experience without our having made any investigation as to the applicability of any particular statute, rule, regulation or other law not expressly referred to in such opinion, is normally applicable to the Trustee in acting as a corporate trustee, (c) does not address the effect on such opinion of any law (including, but not limited to, public policy reflected therein) other than the laws of the State of New York and the federal laws of the United States and (d) except as expressly set forth in such opinion, does not address any matter relating to (i) the legal or regulatory status, or the nature or conduct of any business, of any party or (ii) the compliance or non-compliance by any party with any statute, rule, regulation or other law.

6. The opinion set forth in this letter concerning the enforceability of the Trustee Document against the Trustee under the laws of the State of New York means that, while, as to the Trustee, no particular remedy (including, but not limited to, specific performance) will necessarily be available under such laws or such Trustee Document and no particular provision of such Trustee Document (including, but not limited to, any provision giving a consent or waiver, granting any power of attorney, providing for indemnification, exculpation, liquidated damages, attorneys' fees or arbitration or imposing any penalty or similar charge) will necessarily be upheld or enforced in any or each circumstance by a court of the State of New York applying such laws, such unavailability of a particular remedy and such failure of a particular provision to be upheld or enforced will not preclude the availability under such laws, upon a material breach by the Trustee of any material obligation of the Trustee under such Trustee Document, of a legally adequate remedy for pursuing a claim against the Trustee for damages for such breach.

7. The enforceability of the Trustee Document against the Trustee under the laws of the State of New York may be limited or otherwise affected by (a) any bankruptcy, insolvency, liquidation; reorganization, conservatorship, receivership, moratorium, marshaling, arrangement, assignment for benefit of creditors, fraudulent transfer, fraudulent conveyance or other statute, rule, regulation or other law affecting the rights and remedies of creditors generally or creditors of specific types of debtors, (b) any general principle of equity, whether applied by a court of law or equity, (including, but not limited to, any principle (i) governing the availability of specific performance, injunctive relief or any other equitable remedy that is subject to the discretion of a court, (ii) affording any equitable defense, (iii) requiring good faith, fair dealing or reasonableness in the performance or enforcement of a contract by a party seeking the enforcement of such contract, (iv) requiring consideration of the materiality of a breach of a contract by a party against whom or which the enforcement of such contract is sought or consideration of the materiality of the consequences of such breach to a party seeking such enforcement, (v) requiring consideration at the time the enforcement of a contract is attempted of the impracticality or impossibility of the performance of such contract or (vi) affording any defense to the enforcement of a contract based upon the unconscionability of the conduct after such contract has been entered into of a party seeking such enforcement) and (c) the illegality of such Trustee Document under any laws other than the laws of the State of New York.

8. This letter is given without regard to any change after the date of this letter

with respect to any factual or legal matter, and we disclaim any obligation to notify either of you of any such change or any effect of any such change on any opinion set forth in this letter.

9. This letter is to be interpreted in accordance with customary practice in the United States with respect to legal opinions rendered by lawyers to non-clients in business transactions except to the extent that such customary practice is incompatible with any qualification set forth in this letter.

Subject to the qualifications set forth in this letter, it is our opinion that:

1. The Trustee is a trust company validly existing under the laws of the State of New York.

2. The Trustee has the corporate power to execute, deliver and perform its obligations under the Trustee Document.


3. The execution and delivery of the Trustee Document by the Trustee and the performance by the Trustee of its obligations under the Trustee Document has been duly authorized by all necessary corporate action of the Trustee.

4. The Trustee Document has been duly executed and delivered by the Trustee.

5. The Trustee Document is enforceable against the Trustee under the laws of the State of New York.

This letter is solely for your benefit with respect to the Trustee Document and, without our express written consent, may not be furnished to, relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with the Trustee Document, except that in connection with the Trustee Document this letter may be furnished to bond counsel to the Issuer, Hodgson Russ LLP, and, subject to the qualifications set forth in this letter, may be relied upon by such bond counsel in giving and referred to in any opinion letter given to either of you by such bond counsel in connection with the Trustee Document.

Very truly yours,  
Harris Beach PLLC

By:   
Christopher A. Andreucci, Member

CLOSING ITEM NO.: H-4

March 27, 2017

Otsego County Capital Resource Corporation  
189 Main Street  
Oneonta, New York 13820

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof of the (A) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017A in the aggregate principal amount of up to \$5,550,000 (the “Series 2017A Bonds”); (B) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017B in the aggregate principal amount of up to \$500,000 (the “Series 2017B Bonds”); and (C) Tax-Exempt Multi-Mode Variable Rate Revenue Bonds (The Springbrook NY, Inc. Project), Series 2017C in the aggregate principal amount of up to \$4,450,000 (the “Series 2017C Bonds,” and collectively with the Series 2017A Bonds and the Series 2017B Bonds, the “Series 2017 Bonds”) by Otsego County Capital Resource Corporation (the “Issuer”) (a public instrumentality of Otsego County, New York), a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”).

The Series 2017 Bonds are being issued under and pursuant to a bond resolution adopted by the members of the Issuer on July 28, 2016, a trust indenture dated as of September 1, 2010 (the “Initial Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), a supplemental trust indenture dated as of July 1, 2012 (the “2012 Supplemental Indenture”), and a supplemental trust indenture dated as of March 1, 2017 (the “2017 Supplemental Indenture,” and together with the Initial Indenture and the 2012 Supplemental Indenture being collectively referred to as the “Indenture”) in connection with a project (the “Series 2017 Project”) undertaken by the Issuer for the benefit of Springbrook NY, Inc. (the “Institution”) consisting of the following: (A) (1) the financing of a portion of the costs of the construction and equipping on the Institution’s main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the “Series 2017 Land”) of five buildings containing in the aggregate approximately 28,000 square feet of space (collectively, the “Main Campus New Facility”); (2) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus New Facility and various existing buildings and facilities located at the Series 2017 Land (collectively, the “Series 2017 Facility”); and (3) the acquisition and installation therein and thereon of related fixtures,

machinery, equipment and other tangible personal property (collectively, the “Series 2017 Equipment”) (the Series 2017 Land, the Series 2017 Facility, the Improvements, and the Series 2017 Equipment being collectively referred to as the “Series 2017 Project Facility”), all of the foregoing to constitute an expansion of the Institution’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2017 Bonds; (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain mortgage recording taxes (collectively with the Series 2017 Bonds, the “Financial Assistance”); and (D) the loan of the proceeds of the sale of the Series 2017 Bonds pursuant to the terms of an amendment to loan agreement dated as of March 1, 2017 (the “Series 2017 Amendment to Loan Agreement,” and together with the initial loan agreement dated as of dated September 1, 2010 (the “Initial Loan Agreement”) and the amendment to loan agreement dated as of July 1, 2012 (the “Series 2012A Amendment to Loan Agreement”), collectively referred to as the “Loan Agreement”) by and between the Issuer and the Institution.

The Series 2017 Bonds are dated the date hereof, are each issued as a single fully registered bond without coupons and mature and bear interest as set forth therein. The principal of, redemption premium, if any, and interest on the Series 2017 Bonds are payable from loan payments to be made by the Institution under the Loan Agreement.

As security for the Series 2017 Bonds, the Institution has executed and delivered, among other things, a certain building loan, mortgage, assignment of leases and rents and security agreement, dated as of March 1, 2017 (the “Series 2017 Mortgage”) by and among the Issuer, the Institution, and Citizens Bank N.A. (the “Agent”), as administrative agent of the initial purchaser and holder of the Bonds, Citizens Funding Corp. (the “Holder”), which grants to the Agent, among other things, a mortgage lien on and security interest in, among other things, the Series 2017 Project Facility. The Issuer will assign to the Agent its interest in the Series 2017 Mortgage pursuant to an assignment of mortgage dated as of March 1, 2017 (the “Series 2017 Mortgage Assignment”).

As additional security for the Series 2017 Bonds, the Issuer has executed and delivered to the Trustee a certain amendment to pledge and assignment dated as of March 1, 2017 (the “Series 2017 Amendment to Pledge and Assignment,” and together with the initial pledge and assignment dated September 1, 2010 (the “Initial Pledge and Assignment”) and the amendment to pledge and assignment dated as of July 1, 2012 (the “Series 2012A Amendment to Pledge and Assignment”), collectively referred to as the “Pledge and Assignment”), which assigns to the Trustee certain of the Issuer’s rights under the Loan Agreement.

To demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Series 2017 Bonds (the “Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating to the Series 2017 Bonds, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2017 Bonds (the “Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Information Return with the Internal Revenue Service, and (B) the Institution will execute a tax regulatory agreement dated the date of delivery of the Series 2017 Bonds (the “Tax Regulatory Agreement”) concerning the requirements in Sections 145, 146, 147, 148 and 149 of the Code relating to the Series 2017 Bonds.



We have examined the executed Series 2017 Bonds and executed counterparts of the Indenture, the Loan Agreement, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, the Pledge and Assignment, the Tax Regulatory Agreement and the Arbitrage Certificate (such documents being sometimes herein collectively referred to as the “Issuer Documents”) and such certified proceedings and such other documents as we deemed necessary to render this opinion.

You have received an opinion of even date herewith of Bond, Schoeneck & King, PLLC, counsel to the Institution, upon which you are relying as to the validity and enforceability of the Loan Agreement, the Series 2017 Mortgage, the Series 2017 Mortgage Assignment, and the Tax Regulatory Agreement as they relate to the Institution.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Issuer were duly executed and delivered by said other person or persons and that said documents constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their respective terms.

In rendering the opinions expressed in paragraphs (D) and (E) below, we note that the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145, 147, 148 and 149 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (collectively, the “Tax Requirements”). In our opinion, the Tax Regulatory Agreement and the other Financing Documents (as defined in the Indenture) establish requirements and procedures, compliance with which will satisfy the Tax Requirements. It should be noted, however, that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2017 Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Institution.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained herein, we are of the opinion, as of the date hereof and under existing law, as follows:

(A) The Issuer was duly created and validly exists as a corporate governmental agency constituting a not-for-profit corporation of the State of New York with the corporate power to enter into and perform its obligations under the Issuer Documents and to issue the Series 2017 Bonds.

(B) The Issuer Documents have been duly authorized, executed, and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as specified below.

(C) The Series 2017 Bonds have been duly authorized, executed, and delivered by the Issuer and are legal, valid, and binding special obligations of the Issuer payable with respect to the Issuer solely from the revenues derived by the Issuer from the Loan Agreement.

(D) For so long as the Series 2017 Bonds bear interest at the Bank Purchase Rate (as defined in the Indenture), the interest on the Series 2017 Bonds is excludable from gross income for federal income tax purposes and is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed by the Code; provided, however, that (1) no opinion is expressed as to such exclusion from gross income with respect to interest accruing on or after any Conversion Date (as defined

in the Indenture), (2) the Institution or another Person, by failing to comply with the Tax Requirements, may cause interest on the Series 2017 Bonds to become subject to federal income taxation from the date of issuance thereof, and (3) interest on the Series 2017 Bonds is included in determining (a) the tax base for purposes of computing the alternative minimum tax on corporations (as defined for federal income tax purposes) under Section 56 of the Code and the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code, (b) passive investment income for purposes of computing the tax on net passive income imposed on certain subchapter S corporations under Section 1375 of the Code, and (c) the modified adjusted gross income of a taxpayer for purposes of computing the portion of Social Security or Railroad Retirement benefits included in gross income under Section 86 of the Code.

(E) The Series 2017 Bonds do not constitute an “arbitrage bond,” within the meaning of Section 148 of the Code, except as specified below.

(F) So long as interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes, the interest on the Series 2017 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

(G) The Series 2017 Bonds do not constitute a debt of the State of New York or of Otsego County, New York, and neither the State of New York nor Otsego County, New York is liable thereon.

(H) The issuance of the Series 2017 Bonds will not, in and of itself, adversely affect the validity of the Series 2010A Bonds and the Series 2012A Bonds (the “Prior Bonds”), or the exclusion of the interest payable on the Prior Bonds as federally tax-exempt obligations from the gross income of the holders thereof for federal income tax purposes.

We call your attention to the fact that the Institution or another person, by failing to comply with the Tax Requirements as set forth in the Code, and the Tax Regulatory Agreement, may cause interest on the Series 2017 Bonds to become subject to federal income taxation from the date hereof. We express no opinion regarding other federal tax consequences arising with respect to the Series 2017 Bonds.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors’ rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Series 2017 Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Series 2017 Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the

existence of title to the Series 2017 Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Series 2017 Project Facility or with respect to the requirement of filing or recording of any of the Financing Documents (as defined in the Indenture), or (D) the laws of any jurisdiction other than the State of New York and other than the securities and tax laws of the United States of America.

Certain agreements, requirements, and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Regulatory Agreement and the other Financing Documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion with respect to the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes is expressed herein as to the Series 2017 Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Hodgson Russ LLP.

The scope of our engagement has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution or the Series 2017 Project Facility other than specifically hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2017 Bonds.

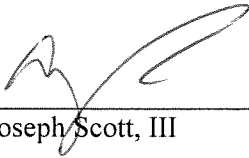
Our opinions set forth herein are based upon the facts in existence and the laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof

We have rendered this opinion solely for your benefit and this opinion may not be relied upon by, nor copies hereof delivered to, any other person without our prior written approval.

Very truly yours,

HODGSON RUSS LLP

By \_\_\_\_\_

  
A. Joseph Scott, III

March 27, 2017

Springbrook NY, Inc.  
2705 State Highway #28  
Oneonta, New York 13820

Manufacturers and Traders Trust Company, as trustee  
Corporate Trust & Agency Services  
1 M&T Plaza  
Buffalo, New York 14203

Citizens Bank, N.A.  
250 South Clinton Street  
Syracuse, NY 13202

Citizens Funding Corp.  
875 Elm Street  
Manchester New Hampshire 03101

Re: Otsego County Capital Resource Corporation  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017A  
in the aggregate principal amount of up to \$5,550,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017B  
in the aggregate principal amount of up to \$500,000  
Tax-Exempt Multi-Mode Variable Rate Revenue Bonds  
(The Springbrook NY, Inc. Project), Series 2017C  
in the aggregate principal amount of up to \$4,450,000

Ladies and Gentlemen:

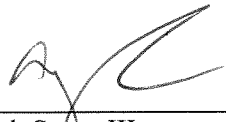
We deliver to you herewith a copy of our legal opinion dated the date hereof relating to the issuance of the above referenced revenue bonds in the aggregate principal amount of \$10,500,000 by Otsego County Capital Resource Corporation.

You are entitled to rely on such opinion as though the same was addressed to you.

Very truly yours,

HODGSON RUSS LLP

By

  
A. Joseph Scott, III

