

CLOSING ITEM NO.: A-1

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CLINTON COUNTY CAPITAL RESOURCE CORPORATION

AND

BEHAVIORAL HEALTH SERVICES NORTH, INC.

AND

GLENS FALLS NATIONAL BANK AND TRUST COMPANY

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BOND PURCHASE  
AND BUILDING LOAN AGREEMENT

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DATED AS OF OCTOBER 1, 2017

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RELATING TO THE TAX-EXEMPT REVENUE BOND (BEHAVIORAL HEALTH SERVICES NORTH, INC. PROJECT), SERIES 2017A IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,140,000 ISSUED BY CLINTON COUNTY CAPITAL RESOURCE CORPORATION.

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THIS BOND PURCHASE AND BUILDING LOAN AGREEMENT, TO THE EXTENT THAT IT PERTAINS TO THE IMPROVEMENT OF REAL PROPERTY, IS INTENDED TO FUNCTION AS A "BUILDING LOAN CONTRACT" AS DEFINED IN SECTION 2(13) OF THE LIEN LAW OF THE STATE OF NEW YORK.

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## BOND PURCHASE AND BUILDING LOAN AGREEMENT

THIS BOND PURCHASE AND BUILDING LOAN AGREEMENT dated as of October 1, 2017 (the "Bond Purchase Agreement") by and among (A) CLINTON COUNTY CAPITAL RESOURCE CORPORATION (the "Issuer"), 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 190 Banker Road, Plattsburgh, New York, (B) GLENS FALLS NATIONAL BANK AND TRUST COMPANY, a commercial bank organized and existing under the laws of the New York State having an office for the transaction of business located at 250 Glen Street, Glens Falls, New York, as holder (the "Holder") of the Issuer's Tax-Exempt Revenue Bond (Behavioral Health Services North, Inc. Project), Series 2017A in a principal amount not to exceed \$3,140,000 (the "Bond"), and (C) BEHAVIORAL HEALTH SERVICES NORTH, 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 22 US Oval, Suite 218, Plattsburgh, New York (the "Company");

### 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 County Legislature of Clinton County, New York (the "County") adopted a resolution on November 10, 2010 (the "Sponsor Resolution") (A) authorizing the incorporation of Clinton 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 County Legislature of the County; and

WHEREAS, in December, 2010, 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, on June 1, 2017, Behavioral Health Services North, Inc. (the "Company"), a New York not-for-profit corporation, presented an application (the "Application") to the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the financing, in whole or in part, of the construction and equipping of an approximately 12,000 square foot addition (the "Addition") to the Company's existing approximately 22,000 square foot facility (the "Existing Facility" and, collectively with the Addition, the "Facility") located on an approximately 10 acre parcel of land (the "Land") located at 2155 Route 22B in the Town of Plattsburgh (Morrisonville), Clinton County, New York, (2) the refinancing of certain existing debt incurred by the Company in connection with the Land and the Existing Facility, and (3) the acquisition and installation therein and thereon of certain machinery, equipment and other personal property (the "Equipment") (the Land, Facility and the Equipment being collectively referred

to as the "Project Facility"), all of the foregoing to be owned by the Company and operated as a mental health outpatient facility; (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 not exceed \$3,100,000 and in any event not to exceed \$3,400,000 (the "Obligations"); (C) the payment of all or 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 board of directors of the Issuer on June 19, 2017 (the "Public Hearing Resolution"), the Chief Executive Officer of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (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 published on July 7, 2017 in The Press Republican, a newspaper of general circulation available to the residents of Town of Plattsburgh, Clinton County, New York, (B) caused notice of the Public Hearing to be posted on July 3, 2017 on a public bulletin board located at the Town of Plattsburgh offices located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York, as well as on the Issuer's website on July 10, 2017, (C) caused notice of the Public Hearing to be mailed on July 3, 2017 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is (or will be) located, (D) conducted the Public Hearing on July 24, 2017 at 2:00 p.m., local time at The Development Corporation located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") which fairly summarized the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Legislature; 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 6NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the board of directors of the Issuer on June 19, 2017 (the "Preliminary SEQR Resolution"), the Issuer (A) determined (1) that the Project involves more than one "involved agency", and (2) that, the Issuer wished to investigate the advisability of undertaking a coordinated review with respect to the Project and (B) authorized the Chief Executive Officer of the Issuer to contact all other "involved agencies" for the purpose of ascertaining whether such "involved agencies" were interested in undertaking a coordinated review of the Project and, if so, designating a "lead agency" with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by resolution adopted by the County Legislature on August 9, 2017 (the "Public Approval"), the County Legislature approved the issuance of the Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, pursuant to SEQRA, by resolution adopted by the members of the board of directors of the Issuer on August 14, 2017 (the "Final SEQR Resolution"), the Issuer (A) concurred in the determination that the Town of Plattsburgh Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on April 18, 2017 (the "Negative Declaration"), in which the Planning Board determined that the

Project would not have a significant adverse environmental impact on the environment, and therefore, an environmental statement need not be proposed with respect to the Project; and

WHEREAS, by resolution adopted by the members of the board of directors of the Issuer on August 14, 2017 (the "Bond Resolution"), the board of directors of the Issuer authorized the issuance of the Issuer's Tax-Exempt Revenue Bond (Behavioral Health Services North, Inc. Project), Series 2017A in a principal amount not to exceed 3,140,000 (or so much thereof as shall have been advanced under the hereinafter described Bond Purchase Agreement) (the "Bond") for the purpose of financing a portion of the costs of the Project, delegating to the Chief Executive Officer, Chairperson or Vice Chairperson of the Issuer authority to determine the final details of the Bond (the "Bond Details") once the marketing of the Bond is completed and the Company has agreed to the Bond Details; and

WHEREAS, the Issuer will now issue its Bond under the Bond Resolution, a certificate of determination dated October 13, 2017 (the "Certificate of Determination") executed by the Chief Executive Officer, Chairperson or Vice Chairperson of the Issuer and a bond purchase and building loan agreement dated as of October 1, 2017 (the "Bond Purchase Agreement") by and among the Issuer, the Company and Glens Falls National Bank and Trust Company, as initial purchaser of the Bond (the "Holder"); and

WHEREAS, pursuant to the Bond Purchase Agreement, the Holder will advance the proceeds of the Bond to the Company from time to time to pay the costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth in the Bond Purchase Agreement and in the hereinafter described Loan Agreement; and

WHEREAS, prior to or simultaneously with the issuance of the Bond, the Issuer and the Company will execute and deliver a loan agreement dated as of October 1, 2017 (the "Loan Agreement") by and between the Issuer, as lender, and the Company, as borrower, pursuant to the terms of which Loan Agreement (A) the Issuer will agree (1) to issue the Bond, and (2) to make a loan to the Company of the proceeds of the Bond (the "Loan") for the purpose of assisting in financing the Project, and (B) in consideration of the Loan, the Company will agree (1) to cause the Project to be undertaken and completed, (2) to use the proceeds of the Loan advanced under the Bond Purchase Agreement to pay (or reimburse the Company for the payment of) the costs of the Project, and (3) to make payments sufficient in amount to pay when due all amounts due with respect to the Bond (the "Loan Payments") to or upon the order of the Issuer in repayment of the Loan, which Loan Payments shall include amounts equal to the Debt Service Payments due on the Bond; and

WHEREAS, as security for the Bond, the Issuer will execute and deliver to the Holder a pledge and assignment dated as of October 1, 2017 (the "Pledge and Assignment") from the Issuer to the Holder, and acknowledged by the Company, which Pledge and Assignment will assign to the Holder certain of the Issuer's rights under the Loan Agreement. Pursuant to the Pledge and Assignment, basic Loan Payments made by the Company under the Loan Agreement are to be paid directly to the Holder; 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 (B) Issuer's obligation to repay the Bond will be further secured by a guaranty dated as of October 1, 2017 (the "Guaranty") from the Company to the Holder; and

WHEREAS, as additional security for the Bond, all amounts required to be paid under the Bond Purchase Agreement and the performance and observance by the Company of its obligations under the Loan Agreement and the other Bond Documents, (A) the Company will execute and deliver to the Issuer (1) a building loan mortgage and security agreement dated as of October 1, 2017 (the "Mortgage") from the Company to the Issuer, which Mortgage among other things, (a) grants to the Issuer a first mortgage lien

on, and a security interest in, among other things, the Project Facility and all rights of the Company in the Loan Agreement and (b) assigns to the Issuer the rents, issues and profits of the Project Facility and (2) an assignment of rents and leases dated as of October 1, 2017 (the "Assignment of Rents") from the Company to the Issuer, which Assignment of Rents, among other things, assigns to the Issuer (a) the rents, issues and profits of the Project Facility and (b) all leases, subleases, licenses or occupancy agreements affecting the Project Facility, and (B) the Issuer will execute and deliver to the Holder (1) an assignment of building loan mortgage dated as of October 1, 2017 (the "Mortgage Assignment") from the Issuer to the Holder, pursuant to which the Issuer will assign the Mortgage to the Holder, and (2) an assignment of assignment of rents and leases dated as of October 1, 2017 (the "Assignment of Rents Assignment") from the Issuer to the Holder, pursuant to which the Issuer will assign the Assignment of Rents to the Holder; and

WHEREAS, the Holder will furnish to the Issuer a letter (the "Investment Letter") certifying that the Holder is an institutional investor which is purchasing the Bond for the purpose of investment and not with a view to, or for resale in connection with, any distribution of the Bond or any part thereof; 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 Bond (the "Initial Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Bond, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Bond (the "Information Return") pursuant to Section 149(e) of the Code, and (3) file the Information Return with the Internal Revenue Service, (B) the Company will execute a tax regulatory agreement dated the date of delivery of the Bond (the "Initial Tax Regulatory Agreement") relating to the requirements in Sections 145 through 150 of the Code relating to the Bond and (C) the Holder as initial purchaser of the Bond will execute a letter (the "Issue Price Letter") confirming the issue price of the Bond for purposes of Section 148 of the Code; and

WHEREAS, the Holder, in consideration of, among other things, the express promises of the Company set forth in Section 204 hereof, has agreed to make a loan to the Issuer in the principal amount not to exceed \$3,140,000 for the purpose of assisting in the financing of the acquisition, construction and installation of the Project Facility and to purchase the Bond in the principal amount not to exceed \$3,140,000 evidencing the Issuer's obligation to pay such principal amount, and the Issuer has agreed to issue, execute and deliver the Bond, all pursuant to the terms of this Bond Purchase Agreement; and

WHEREAS, the Bond is to be in substantially the form thereof attached hereto as Schedule I and made a part hereof, with necessary and appropriate variations, omissions and insertions as permitted or required by this Bond Purchase Agreement; and

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

WHEREAS, the Issuer and the Company have entered into the Loan Agreement specifying the terms and conditions pursuant to which, among other things, the Company has agreed to cause the Facility to be constructed and/or reconstructed and the Equipment to be acquired and installed in the Facility and elsewhere on the Land, and to which Loan Agreement reference may be made by any interested person for the terms and conditions thereof and the obligations of the parties thereto; and

WHEREAS, all things necessary to constitute this Bond Purchase 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 Bond Purchase Agreement have in all respects been duly authorized by the Issuer, the Company and the Holder; and



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

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PURCHASE OF THE BOND BY THE HOLDER AND THE MAKING OF ADVANCES UNDER THE BOND FROM TIME TO TIME BY THE HOLDER, AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I  
DEFINITIONS

SECTION 101. DEFINITIONS. All of the capitalized terms used in this Bond Purchase Agreement shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Appendix A and made a part hereof.

SECTION 102. INTERPRETATION. (A) In this Bond Purchase Agreement, unless the context otherwise requires:

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

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

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

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

(5) all references to time in this document refer to New York City time;

(6) any certificates, letters or opinions required to be given pursuant to this Bond Purchase 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 Bond Purchase Agreement; and

(7) in any case where the date of maturity of interest on or principal of the Bond, or the date fixed for redemption of any portion of the Bond, shall not be a Business Day, then payment of interest or principal need not be made on such date but may be made on the next Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest shall accrue for the period after such date.

(B) All conditions and requirements of this Bond Purchase Agreement relating to the obligations of the Holder to advance the proceeds of the Bond are for the sole benefit of the Holder and no other person or party (including, without limitation, any Contractor or subcontractor and materialman engaged in the construction of the Project Facility) shall have the right to rely on the satisfaction of such conditions and requirements by the Company as a condition precedent to the Holder making any advance of the proceeds of the Bond, or for any other purpose.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

SECTION 201. REPRESENTATIONS OF AND WARRANTIES BY THE ISSUER. The Issuer represents and warrants to the Holder as follows:

(A) The Issuer is duly organized and validly existing as a not-for-profit corporation of the State with full power and authority to consummate the transactions contemplated hereby.

(B) The Issuer has full power and authority to issue and sell the Bond to finance a portion of the Cost of the Project, and to loan the proceeds of the Bond to the Company, all as is provided in the Financing Documents, and to secure the Bond in the manner provided in the Mortgage and the Pledge and Assignment and the other Financing Documents, and the Issuer has taken all actions and obtained all approvals required by the Enabling Act.

(C) The Issuer has duly adopted the Bond Resolution and has duly authorized the execution and delivery of this Bond Purchase Agreement, the Loan Agreement and the other Financing Documents to which the Issuer is a party and the issuance and sale of the Bond, and has taken all actions necessary or appropriate to carry out the same.

(D) The Bond Proceeds shall be advanced by the Holder, upon satisfaction of the terms and conditions set forth herein and in this Bond Purchase Agreement, the Loan Agreement and the other Financing Documents, to or for the account of the Company, as agent of the Issuer.

(E) Except as set forth in the General Certificate of the Issuer (closing item B-1 listed on the Closing Memorandum) executed in connection with the issuance of the Bond, there are, to the knowledge of the Issuer, no actions, suits or proceedings at law or in equity, or before or by any Governmental Authority, pending or threatened against or affecting the Issuer or the Project Facility, or involving the validity or enforceability of any Financing Document to which the Issuer is a party or the priority of the Lien thereof, and to the Issuer's knowledge, the Issuer is not in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.

(F) The consummation of the transactions contemplated by the Bond Resolution and hereby and performance of the Financing Documents to which the Issuer is a party will not result in any breach of, or constitute a default under, the Enabling Act or any mortgage, deed of trust, lease, bank loan or credit agreement, order or judgment, by-laws or other instrument or document to which the Issuer is a party or by which the Issuer may be bound or affected.

(G) With the exception of the Permitted Encumbrances, the Financing Documents and contracts entered into by the Company as agent of the Issuer, the Issuer has not made any contract or arrangement of any kind the performance of which by the party thereto would give rise to a Lien on the Project Facility.

(H) The Issuer has not made and does not intend to make in connection with the Project or the sale of the Bond to the Holder any inquiry concerning the financial position or business condition of the Company. The Issuer makes no representation as to the financial position or business condition of the Company and does not represent or warrant as to any of the statements, material (financial or otherwise), representations or certifications furnished, or to be made and furnished by the Company in connection with

the Project or the sale of the Bond to the Holder or the making of the advances hereunder or as to the correctness, completeness or accuracy of such statements.

SECTION 202. COVENANTS OF THE ISSUER WITH THE HOLDER. The Issuer covenants with the Holder as follows:

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

(B) Except to the extent provided in Section 602 and Section 801 hereof, the Issuer will use, and will covenant with the Company in the Loan Agreement that the Company will use, the Bond Proceeds only to pay the Cost of the Project.

(C) The Issuer will take all action and do all things which it is authorized by law to take and do (1) in order to perform and observe all covenants and agreements on its part to be performed and observed under this Bond Purchase Agreement and the other Financing Documents to which the Issuer is a party and (2) in order to provide for and to assure payment of the principal of, and the premium, if any, and interest on, the Bond when due in accordance with the terms thereof.

(D) The Issuer will not, without the prior written consent of the Holder, create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge on (1) the Project Facility, other than Permitted Encumbrances, or (2) any revenues derived or to be derived from or pursuant to the Loan Agreement, other than as permitted in the Financing Documents, or (3) the Bond Proceeds, other than as permitted in the Financing Documents.

(E) The Issuer will execute, acknowledge, when appropriate, and deliver from time to time at the request of the Holder, but at the sole cost and expense of the Company, such instruments and documents as in the opinion of the Holder are reasonably necessary or desirable to carry out the intent and purpose of this Bond Purchase Agreement.

(F) The Issuer will promptly pay or cause to be paid the principal of or interest on the Bond as such payments become due, subject to the limitation contained in Section 503 of this Bond Purchase Agreement.

(G) The Issuer will not issue any other bonds payable in whole or in part from the basic loan payments payable under Section 5.1(A) of the Loan Agreement without the prior written approval of the Holder.

(H) The Issuer will promptly notify the Holder and the Company of the occurrence of any Event of Default of which it has actual knowledge.

SECTION 203. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company represents and warrants to the Holder as follows:

(A) The Company (1) is a not-for-profit corporation duly organized and validly existing and in good standing under the laws of the State of New York and is duly authorized to do business in the State, (2) has full power and authority to execute and deliver the Financing Documents to which the Company is a party and to enter into and perform its obligations under the Financing Documents to which the Company is a party, (3) has duly authorized, executed and delivered the Financing Documents to which the Company is a party and (4) represents and warrants that such documents constitute legal, valid and binding obligations

of the Company enforceable against the Company in accordance with their respective terms, subject to bankruptcy laws and general equitable principles.

(B) The representations and warranties contained in Section 2.2 of the Loan Agreement are true, and by this reference such representations and warranties are incorporated into this Bond Purchase Agreement.

(C) Except as set forth in the General Certificate of the Company executed in connection with the issuance of the Bond, there are no actions, suits or proceedings at law or in equity, or before or by any Governmental Authority, pending or, to the knowledge of the Company, threatened against or affecting the Company or the Project Facility or which may materially adversely affect the financial condition of the Company, or involving the validity or enforceability of any of the Financing Documents or the priority of the Liens thereof, and, to the Company's knowledge, neither is the Company in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.

(D) Neither the execution and delivery of the Financing Documents to which the Company is a party, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will (1) result in a breach of or conflict with any term or provision in the certificate of incorporation or by-laws of the Company, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any Property of the Company may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Company or any of the Property of the Company.

(E) The Company is and will be the bona fide owner of the Project Facility in its own right, subject in both cases only to the Permitted Encumbrances, and no party other than the Company has any beneficial or equitable right, title or interest in the Project Facility or any part thereof, with the exception of the beneficiaries of the Permitted Encumbrances.

(F) No approval or other action by any Governmental Authority is required in connection with the execution or performance by the Company of the Financing Documents to which the Company is a party.

(G) The Company has not made any contract or arrangement of any kind (which remains unpaid) the performance of which by the other party thereto would give rise to a Lien on the Project Facility except for the Financing Documents, Permitted Encumbrances and contracts with materialmen and subcontractors, and neither is the Company in default under the Financing Documents.

(H) There is no default under any Financing Document and no event has occurred and is continuing which with notice or the passage of time or both would constitute a default under any Financing Document.

(I) All proceeds of the Bond advanced to or upon the order of the Company shall be used solely for paying the Cost of the Project.

(J) The Company will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectation and covenants made by the Company in the Tax Regulatory Agreement are hereby declared to be for the benefit

of, among others, the Issuer and the Holder and, by this reference, are incorporated by this reference as though set forth in full herein.

**SECTION 204. COVENANTS OF THE COMPANY.** The Company covenants and agrees with the Holder for the benefit of the Holder and any subsequent holders from time to time of the Bond, and the Issuer, as follows:

(A) The Company will promptly notify the Issuer and the Holder of the occurrence of any Event of Default of which it has actual knowledge.

(B) The Company (1) has acquired the Land, (2) will construct and/or reconstruct the Facility and (3) has acquired and installed the Equipment in the Facility or elsewhere on the Land and/or will acquire and install the Equipment in the Facility or elsewhere on the Land, all in accordance with the Plans and Specifications. If applicable, the Company intends that this covenant and agreement on its part will be construed to be an express promise to make an improvement on real property for purposes of qualifying this Bond Purchase Agreement as a building loan contract as described in Article 1, Sections 2(13) and Article 2, Sections 13(3) and 22 of the Lien Law.

(C) On behalf of itself and the Issuer, the Building Loan advances received under the Bond pursuant to the terms of this Bond Purchase Agreement and the right to receive such Building Loan advances will be held by the Company as a trust fund to be applied first for the purpose of paying the "cost of improvement" (as said quoted term is defined in Section 2(15) of the Lien Law) before using any part of the total of the same for any other purpose, it being intended by this covenant to subject all Building Loan advances received hereunder by or on behalf of the Issuer and/or the Company to the trust fund provisions of Article 2, Section 13 of the Lien Law, to the extent to which Article 2, Section 13 of the Lien Law may be found to apply by its terms.

(D) The covenants set forth in Section 2.2 of the Loan Agreement will be observed, and such covenants are incorporated into this Bond Purchase Agreement.

(E) The Company shall not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge upon its interest in the Project Facility, other than as described in any Financing Documents and other than Permitted Encumbrances, nor shall it assign its interest in the Project Facility, without the prior written approval of the Holder.

(F) Except for Permitted Encumbrances and as described herein and as permitted in the Loan Agreement and the Mortgage and the other Financing Documents, the Company will not convey or encumber its interest in the Project Facility or any portion thereof or interest therein nor assign this Bond Purchase Agreement or the proceeds derived from the sale of the Bond, or the proceeds of the Bond to be advanced under the Bond, to or upon the order of the Company.

(G) The Company will permit the Holder and/or its representatives to enter upon the Land and inspect the Project Facility and the Equipment and to examine all detailed plans and shop drawings which are or may be kept at the site at reasonable times upon reasonable notice.

(H) The Company will cause the acquisition, construction and installation of the Project Facility to be prosecuted with diligence and continuity and will complete the same substantially in accordance with the Plans and Specifications on or before the Completion Date, free and clear of unbonded Liens or claims for Liens for material supplied and for labor or services performed in connection with the acquisition, construction and installation of the Project Facility.

(I) The Company will indemnify the Holder and the Issuer from claims of brokers arising by reason of the execution hereof or the consummation of transactions contemplated hereby and from expenses incurred by the Holder or the Issuer in connection with any such claims (including reasonable attorneys' fees).

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

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

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

(M) The Company will comply promptly with all Applicable Laws (including, without limitation, obtaining a certificate of occupancy) and will furnish the Holder, on demand, official searches made by any Governmental Authority.

(N) The Company shall not (1) be or become subject at any time to any law, regulation or list of any government agency, including without limitation, the U.S. Office of Foreign Asset Control that prohibits or limits the Holder from making any advance, loan or extension of credit to or for the benefit of the Company or from otherwise conducting business with the Company, or (2) fail to provide documentary or other evidence of the Company's identity as may be requested by the Holder at any time to enable the Holder to verify the Company's identity or to comply with any applicable law or regulation, including without limitation, Section 326 of the Patriot Act (31 U.S.C. §5318).

(O) The Company will maintain a debt service coverage ratio of 1.25:1.00 or greater on the consolidated operation, to be measured annually as follows:

$$\frac{\text{Net Income} + \text{Depreciation} + \text{Amortization} + \text{Interest Expense} + \text{Net Cash Flow}}{\text{Current Maturities} + \text{Interest Expense}}$$

(P) The Company shall provide to the Holder, or to the Issuer as requested, the following documents at the following times: (1) Certified Public Accountant prepared audited financial statements will be provided to the Holder within one hundred twenty (120) days of fiscal year end; (2) a budget will be provided to the Holder within sixty (60) days of fiscal year end; (3) internally prepared financial statements will be provided to the Holder within 45 days of the end of each calendar quarter.

SECTION 205. REPRESENTATIONS AND COVENANTS OF THE HOLDER. The Holder represents to and covenants and agrees with the Issuer as follows:

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

(B) The Holder has approved this Bond Purchase Agreement, the Bond Resolution and the other Financing Documents, and such documents contain the terms agreed to by the Holder.

(C) The Holder is purchasing the Bond (1) for its own account, for the purpose of investment and not with a view to the distribution or resale thereof and (2) not for the account of others. The Holder has not offered, offered to sell, offered for sale or sold the Bond by means of any form of general solicitation or general advertising and the Holder is not an underwriter within the meaning of Section 2(11) of the Securities Act of 1933, as amended, and will not sell the Bond without registration under the Securities Laws or exemption therefrom. The Holder presently has no arrangement, written or oral, with any Person for the distribution, transfer or resale of the Bond, but reserves the right to do so upon compliance with all applicable Securities Laws.

(D) The Holder agrees to notify the Issuer and the Company in writing of any proposed transfer or resale of the Bond and to furnish to them prior to any such transfer or resale (1) except with respect to a transfer to a Financial Institution, an opinion of Independent Counsel reasonably satisfactory to the Issuer and the Holder that such transfer or resale does not and will not require registration of the Bond under the Securities Laws, and (2) except with respect to a transfer to a Financial Institution, a certificate of the purchaser of the Bond to the effect that such purchaser has been provided with all requested disclosure information by the Company. The Holder further agrees that all transfers of the Bond shall comply with Section 303 hereof and that, upon any transfer or resale of the Bond, the Holder shall assign to the transferee or purchaser of the Bond all of the Holder's rights and obligations pursuant to this Bond Purchase Agreement and the other Financing Documents, and in that connection will execute and deliver all instruments and documents necessary or appropriate therefor.

(E) The Holder understands that (1) the Bond is a special obligation of the Issuer payable solely from certain of the loan payments derived by the Issuer from or in connection with the Loan Agreement, (2) the Issuer has no power of taxation and (3) neither the Issuer nor any member, officer, agent (other than the Company) or employee of the Issuer has made or will make any representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Project Facility, or the suitability of the Project Facility for the Company's purposes or needs, or the extent to which the proceeds derived from the sale of the Bond will be sufficient to pay the cost of undertaking or completing the Project.

(F) The Holder has received from the Company and not the Issuer whatever information requested with respect to the Company and the Project Facility which the Holder deems, as a reasonable investor, important in reaching its investment decision to purchase the Bond. The Holder acknowledges that neither the Issuer nor its counsel nor Bond Counsel have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the Company or the Project and that the Issuer and its counsel do not make any representation to the Holder with respect to the adequacy, sufficiency or accuracy of any financial statements or other information provided to the Holder by the Company, or with respect to the ability of the Company to pay the Bond or fulfill their respective 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 (1) the financial condition of the Company, (2) the creditworthiness of the Company, (3) the competence or integrity of the management of the Company, or (4) the suitability of the Project Facility for the Company's business. The Holder has made an independent



evaluation of the factors listed above without reliance upon any evaluation or investigation by the Issuer as to any of them.

(G) The Holder has made its own independent investigation and evaluation of the financial position and business condition of the Company, or has caused such investigation and evaluation of the Company to be made by Persons it deemed competent to do so, and the Holder hereby expressly waives the right to receive such information from the Issuer and relieves the Issuer and any officer, member, agent (other than the Company) or employee thereof of any liability for failure to provide such information or for the inclusion in any of the documents, representations or certifications to be provided by the Company to the Holder in connection with the Bond of any untrue fact or for the failure to include therein any fact.

(H) The Holder has not relied upon the determination of the Issuer to issue its tax-exempt revenue bond to finance the Project Facility for any purpose in connection with its evaluation of the financial condition, creditworthiness or competence of the Company, or of the integrity of the management of the Company, or of the suitability of the Project Facility for the Company's business.

### ARTICLE III

#### PURCHASE AND SALE OF THE BOND

SECTION 301. CLOSING DATE. Upon satisfaction of the conditions set forth in Section 302 hereof, the Holder will purchase the Bond from the Issuer, and the Issuer will sell the Bond to the Holder, on the Closing Date, which shall be on or before October 13, 2017 or such other date as shall be agreed to by the parties hereto. The purchase price for the Bond shall be the sum of (1) the principal amount of the Initial Advance (which shall be payable in immediately available funds) advanced by the Holder under the Bond on the Closing Date, together with (2) all additional amounts thereafter advanced by the Holder under the Bond pursuant to the terms of this Bond Purchase Agreement.

SECTION 302. CONDITIONS PRECEDENT TO THE CLOSING AND THE INITIAL ADVANCE. The Holder shall not be obligated hereunder to purchase the Bond and to make the Initial Advance under the Bond on the Closing Date unless the following conditions shall have been satisfied or waived by the Holder:

- (A) The Holder shall have received (and approved as appropriate):
  - (1) any portion of the commitment fee due pursuant to the Holder Commitment on the Closing Date and the fees of Holder's counsel payable on the Closing Date, together with any other costs incurred by the Holder prior to the Closing Date;
  - (2) the executed Bond and executed counterparts of all of the Financing Documents;
  - (3) the certificates and policies, if available, or proof of the insurance required by the Loan Agreement and the Holder Commitment, accompanied by evidence of the payment of the premiums therefor;
  - (4) an opinion of counsel to the Issuer in form and substance satisfactory to the Holder and its counsel;
  - (5) an opinion of Bond Counsel in form and substance satisfactory to the Holder and its counsel;
  - (6) an opinion of counsel to the Company in form and substance satisfactory to the Holder and its counsel;
  - (7) UCC-1 financing statements or comparable security instruments to evidence or perfect the security interests created or purported to be created by the Financing Documents;
  - (8) a certificate of one or more officers of Issuer and such other proof as the Holder shall require to establish the truth of the representations and warranties set forth in Section 201 hereof;
  - (9) a certificate of one or more officers of the Company and such other proof as the Holder shall require to establish the truth of the representations set forth in Section 203 hereof;
  - (10) a paid title insurance policy in form and substance satisfactory to the Holder and its counsel, in an amount equal to the principal amount of the Bond, insuring the Mortgage to be a valid first priority Lien on the Project Facility, free and clear of all defects and encumbrances except

Permitted Encumbrances and such other defects and encumbrances as Holder and its counsel shall approve;

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

(12) evidence satisfactory to the Holder that the construction, installation and occupancy of the Project Facility shall comply with all Applicable Laws;

(13) a Request for Advance relating to the Initial Advance, with accompanying supporting schedules in a form and content satisfactory to the Holder;

(14) a current appraisal of the Land and Facility as a completed structure in form and content satisfactory to Holder certifying that the amount of the Loan is no more than [90%] of the estimated fair market value of the Land as improved by the Facility;

(15) a current standard detail survey of the Land, certified to the Issuer, the Holder and the Title Insurer;

(16) evidence satisfactory to the Holder that the Company has sufficient funds with which to complete the construction of the Facility and the acquisition and installation of the Equipment;

(17) the preliminary Plans and Specifications;

(18) copies of any lease executed prior to the Closing Date;

(19) a current phase one environmental survey of the Land and the Facility, in form and content acceptable to the Holder, prepared by an environmental consultant acceptable to the Holder;

(20) approval by the Holder of the insurance policies or binders required by Section 6.3 of the Loan Agreement; and

(21) such other or further documents, data or information with respect to the Company, or the Project Facility as the Holder or its counsel may reasonably request or as set forth in the Holder Commitment.

(B) The Holder and its counsel shall have received (and approved as appropriate) or waived its right to receive:

(1) a certified copy of the certificate of incorporation of the Issuer and all amendments thereof, filed with the New York State Department of State, Miscellaneous Records Unit, together with certified copies of the certificates of appointment of all the present members of the Issuer;

(2) a copy of the by-laws of the Issuer, certified by the Secretary (or Assistant Secretary) of the Issuer;

(3) a certified copy of the Sponsor Resolution;

(4) a copy of the Bond Resolution, certified by the Secretary (or Assistant Secretary) of the Issuer;

(5) a certified copy of the certificate of incorporation and the by-laws of the Company, and certificates of good standing relating to the Company;

(6) a resolution (or unanimous written consent) of the board of directors of the Company approving and authorizing the execution and delivery of the Financing Documents to which the Company is a party;

(7) evidence satisfactory to the Holder that the zoning of the Land permits the use and operation of the Project Facility as proposed;

(8) copies of all authorizations, certificates and permits, if any, required by any Governmental Authority for the construction, reconstruction, installation and/or operation of the Project Facility for the purposes contemplated by the Plans and Specifications which in the opinion of the Holder's counsel must be obtained from all Governmental Authorities, and which are presently procurable, including any authorizations required with respect to applicable environmental protection regulations and/or laws which are presently procurable;

(9) a current title report from the Title Insurer which shall set forth a description of the Land and shall have attached thereto copies of all instruments which appear as exceptions in the report and shall state the status of the title to abutting streets and roads and provides for insurance of ingress and egress to public rights of way;

(10) an original current survey certified to the Holder, the Holder's counsel, the Issuer and the Title Insurer, and showing the Land and all improvements thereon and easements, rights-of-way, adjoining sites and encroachments (and the extent thereof) affecting the Land;

(11) letters, or other evidence, from local utility companies or municipal authorities stating that electric, gas, sewer, telephone and water facilities will be or are presently available upon the completion of the Project Facility and satisfactory proof of ingress/egress to public roads;

(12) satisfactory evidence that (a) all real estate taxes, assessments and water and sewer charges levied or assessed against the Land and/or the Project Facility have been paid in full, and (b) there is not then pending by or against the Company, any petition for reorganization or arrangement under any bankruptcy or insolvency law, or any other action brought under such laws; and

(13) such other or further documents, data or information with respect to the Company or the Project Facility as the Holder or its counsel may reasonably request or as set forth in the Holder Commitment.

**SECTION 303. REGISTERED BOND.** (A) The Bond shall be in fully registered form and shall be payable in accordance with the provisions of the Bond to the registered owner thereof as shown on the records maintained by the Issuer for the registration and transfer of the Bond. Pursuant to Article VII of this Bond Purchase Agreement, the Holder is hereby designated and agrees to act as Bond Registrar with respect to the Bond.

(B) So long as the Bond shall remain unpaid, the Bond Registrar shall maintain and keep, on behalf of the Issuer, at the office of the Bond Registrar, a bond register for the registration and transfer of

the Bond; and upon presentation thereof for such purpose at such office, the Bond Registrar shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the Bond Registrar or the Issuer may prescribe, any Bond entitled to registration or transfer. So long as the Bond shall remain unpaid, the Issuer shall make all necessary provision to permit the exchange of the Bond at the office of the Bond Registrar.

(C) The Bond shall be transferable only upon the books of the Issuer, which shall be kept for that purpose at the office of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of the Bond, the Issuer shall issue in the name of the transferee a new Bond of the same principal amount and maturity and rate of interest as the surrendered Bond.

(D) The Issuer and the Company may deem and treat the Person in whose name any unpaid Bond shall be registered upon the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for all purposes, and neither the Issuer nor the Company shall be affected by any notice to the contrary. The term "Bond" shall include a Bond issued by the Issuer in exchange for or upon transfer of any Bond under this Section 303.

SECTION 304. LOSS, THEFT, DESTRUCTION OR MUTILATION OF THE BOND. (A) In the event that the Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and deliver a new Bond of like maturity, interest rate and principal amount, bearing the same number, if any, as the mutilated, destroyed, lost or stolen Bond and bearing a notation indicating the principal amount outstanding, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. Such new Bond may bear on its face a notation to the effect that it has been issued in order to replace a lost, stolen or destroyed Bond.

(B) In every case of exchange or substitution, the applicant shall furnish to the Issuer (1) such security or indemnity as may be required by the Issuer to save the Issuer and its members, officers, agents, servants and employees harmless from all risks, however, remote, reasonably related to such exchange or substitution and (2) evidence to the reasonable satisfaction of the Issuer of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof. Upon the issuance of a new Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer.

(C) In case the Bond is about to mature and shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a new Bond in exchange or substitution therefor, pay or authorize the payment of same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer (1) such security or indemnity as the Issuer may require to save the Issuer, and its members, officers, agents, servants and employees, harmless from all risks, however remote, and (2) evidence reasonably satisfactory to the Issuer of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

SECTION 305. SPECIFIC DETAILS OF THE BOND. (A) The Bond shall be issued in the original principal amount of not to exceed \$3,140,000, shall be designated "Clinton County Capital Resource Corporation Tax-Exempt Revenue Bond (Behavioral Health Services North, Inc. Project), Series 2017A in a principal amount not to exceed \$3,140,000". The Bond shall be in substantially the form set forth in Schedule I to this Bond Purchase Agreement, with such variations, omissions and insertions as are permitted or required by this Bond Purchase Agreement. The Bond shall be dated the Closing Date and shall mature on April 1, 2039. The Bond shall bear interest from the Closing Date. The Bond shall be issued as a fully

registered bond without coupons, registered in the name of the Holder. The Bond shall be prefixed "Series 2017AR" and numbered "1".

(B) Principal and interest on the Bond shall be payable as follows:

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

(2) All interest accruing hereunder shall be due and shall be payable, in arrears, on the first (1st) day of each month, commencing on the first day of the calendar month immediately following the calendar month in which the Closing Date occurs and continuing on the first day of each month thereafter until the Bond is paid in full. During the Interest Term, interest only on the advances made pursuant to the Bond Purchase Agreement shall be due and payable as aforesaid.

(3) Thereafter, commencing on the first day of the first month following the end of the Interest Term and on the first day of each calendar month thereafter until the Bond is paid in full, equal monthly payments of principal and interest payments shall be made in an amount sufficient to fully amortize at the Bond Rate the outstanding Principal Balance due on the Bond over a term ending on the Amortization Period Date. Upon any change in the Bond Rate and/or in the outstanding principal balance of the Bond, the Holder shall inform the Company of the change in the monthly payments to be due on the Bond, based upon either such change in the Bond Rate and/or upon such change in the outstanding principal balance of the Bond on such date. Such payments shall be applied first to the payment of unpaid interest due hereon and then to the payment of the unpaid Principal Balance of the Bond.

(4) Notwithstanding anything herein to the contrary, on the Maturity Date of this Bond, an amount equal to the entire unpaid Principal Balance of the Bond, together with any accrued but unpaid interest thereon, shall become due and payable on the Bond.

(C) The Bond is subject to optional and mandatory redemption prior to maturity as provided in Section 502 of this Bond Purchase Agreement.

**SECTION 306. HOLDER COMMITMENT.** A copy of the Holder Commitment is attached hereto as Appendix B. The Holder Commitment shall survive the purchase and sale of the Bond and shall remain in full force and effect until the principal of the Bond, together with the premium, if any, and interest thereon and all amounts payable under the Financing Documents shall have been irrevocably paid in full. In the event of any variation between the provisions of this Bond Purchase Agreement and the Holder Commitment, the provisions of this Bond Purchase Agreement shall govern.

## ARTICLE IV

### BOND PROCEEDS AND APPLICATION THEREOF

SECTION 401. ADVANCES OF PROCEEDS OF THE BOND. (A) Subject to the provisions of subsection (B) hereof, the Issuer authorizes the Holder to make (1) the Initial Advance in immediately available funds directly to the Company or upon the Company's order upon satisfaction of the conditions set forth in Section 302 hereof and Section 402 hereof and (2) Further Advances upon the conditions set forth in Section 403 hereof. All such advances shall be made by the Holder on behalf of the Issuer.

(B) The Company shall use the Bond Proceeds only (1) to pay the Cost of the Project and (2) in accordance with its covenants respecting the use of Bond Proceeds contained in this Bond Purchase Agreement.

(C) Subject to the conditions precedent set forth in this Bond Purchase Agreement, the Holder shall make advances of Bond Proceeds in such manner as the Company may direct in writing, upon receipt of a Request for Advance from the Company in substantially the form annexed hereto as Exhibit C, certified to by an Authorized Representative of the Company.

(D) Each Request for Advance shall be in writing and shall be submitted by the Company (or the Developer, on behalf of the Company) to the Holder at its office at 250 Glen Street, Glens Falls, New York 12801, or at such other place as may be designated by the Holder, and to the Inspecting Engineer (if any), not less than five (5) Business Days prior to the date upon which an advance of the Bond Proceeds is requested. Each Request for Advance shall be in form reasonably satisfactory to the Holder, shall be certified by an Authorized Representative of the Company and shall state to the reasonable satisfaction of the Holder:

- (1) the name(s) and address(es) of the Person(s) to whom payment is to be made;
- (2) the amount of each payment;
- (3) the description of the purpose for which the requested advances under the Bond are to be made;
- (4) that the advance is a proper expenditure of Bond Proceeds under Section 4.3 of the Loan Agreement;
- (5) that, with respect to the item(s) for which payment is to be made, the Authorized Representative of the Company has no knowledge of any unbonded Lien which should be satisfied or discharged before the payment as requested is made;
- (6) that the percentage of work on the acquisition, construction and installation of the Project Facility which has been completed exceeds the percentage which all advances made to date represent of the total of Bond Proceeds which can be advanced under the Bond;
- (7) that no item(s) for which payment is to be made has (have) been the basis for any prior advance under the Bond (requests for advance relating to retainage amounts under any contract relating to the construction of the Facility shall not be deemed made for an item which has been the basis of a prior advance by virtue of requests for advance of amounts covering the cost of such construction, less the retainage amounts);

(8) that all of the conditions precedent to such advance set forth in the Bond Purchase Agreement and the Loan Agreement have been satisfied or have been waived in writing by the Holder;

(9) that, as of the date of the Request for Advance, the representations and covenants made in Section 2.2 of the Loan Agreement are true and accurate, and that, to the best of the Company's knowledge, there is no Event of Default under any of the Financing 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;

(10) that the Facility has not been materially injured or damaged by fire or other casualty;

(11) that all sums due workmen and materialmen have been paid or will be paid from the proceeds of the advance (or specifying the amounts being disputed in good faith); and

(12) the payment of the amount requested hereby is, to the best of the Company's knowledge, consistent in all material aspects with the Tax Documents.

Requests for Advances for construction items shall be accompanied by AIA forms G-702 and G-703 or such other documents are reasonably acceptable to the Issuer and the Holder substantiating the amount requested and indicating that the work has been done substantially in accordance with the approved Plans and Specifications and in a good and workmanlike manner. Requests for Advances for items other than construction items shall be accompanied by invoices, bills or other proof to substantiate the amount requested. In no event shall any advance prior to the Final Advance under the Bond include Retainage, unless otherwise agreed by the Holder.

(E) Notwithstanding anything to the contrary contained in this Section 401, the Holder, in its sole discretion, may delay advancing moneys under the Bond relating to construction items until the Holder shall first have (1) caused an inspection of the Facility to be made by the Inspecting Engineer (if the Holder shall have selected an Inspecting Engineer) to confirm that the construction items in any such Request for Advance are properly payable and that the work has been completed substantially in accordance with the Plans and Specifications, and (2) requested and obtained releases of Liens from the General Contractor. In the event that the Holder delays advancing money under the Bond as provided in clause (1) above, the Holder shall use every reasonable effort to cause such inspection to occur promptly.

(F) The Holder shall not be obligated to make advances of the Bond Proceeds more frequently than once each thirty (30) days and shall not be required to make advances if the Bond Proceeds for costs incurred by the Company with respect to materials stored on or off the Land unless the Holder shall, in its sole discretion, deem it advisable to do so.

**SECTION 402. CONDITIONS PRECEDENT TO MAKING THE INITIAL ADVANCE UNDER THE BOND.** The Holder shall not be obligated to make any advance until the conditions set forth in Section 302 hereof and Section 401 hereof and the following further conditions shall have been satisfied:

(A) As of the date of the advance, the representations and warranties of the Company made in Article II hereof shall be true and correct, there shall be no Event of Default under any of the Financing Documents and there shall be no event that with the passage of time or the giving of notice or both would ripen into an Event of Default;



(B) The Facility shall not have been materially injured or damaged by fire or other casualty, unless the Holder shall have received insurance proceeds sufficient, in the reasonable judgment of the Holder, to effect the satisfactory restoration of the Facility and to permit the completion thereof prior to the Completion Date;

(C) The Holder shall have received:

(1) a Request for Advance, accompanied by such items as are required by Section 401(D) of this Bond Purchase Agreement;

(2) proof that, as of the date of the advance, a search of the public records by an abstract or title company satisfactory to the Holder discloses no unbonded vendors', mechanics' or other Liens, judgments, conditional sales contracts, chattel mortgages, leases of personalty, financing statements or title retention agreements filed and/or recorded against the Company or the Project Facility other than Permitted Encumbrances;

(3) Plans and Specifications in a form satisfactory to it;

(4) all authorizations, certificates and permits, if any, which, in the opinion of counsel to the Holder, are required by any Governmental Authority for the construction, installation and operation of the Project Facility as contemplated by the Plans and Specifications and which are currently procurable, including any authorizations required with respect to applicable environmental protection regulations and laws which are currently procurable;

(5) the Title Insurer insures that the Company is the owner of record of the Land, subject to no exceptions except those approved by the Holder and Holder's counsel, and that the Mortgage is a first Lien on the Land for all amounts advanced under the Bond, including the amount to be advanced pursuant to the Request for Advance under consideration;

(6) a written inspection report from the Inspecting Engineer in form and content satisfactory to the Holder; and

(7) a site plan of the Facility showing all required municipal approvals.

SECTION 403. CONDITIONS PRECEDENT TO ADVANCES AFTER THE INITIAL ADVANCE AND THE FINAL ADVANCE. The Holder's obligation to make any advance under the Bond after the Initial Advance therefrom shall be subject to satisfaction of the following conditions:

(A) The conditions specified in subparagraphs (1), (2), (5) and (6) of paragraph (C) of Section 402 hereof shall be satisfied as of the date of each advance after the Initial Advance.

(B) The Holder has reasonably determined that the Company has available and/or will provide such additional funds (if any), in addition to the unadvanced portion of the Bond Proceeds, as the Holder reasonably determines will be required to complete the Project in accordance with the Plans and Specifications and to pay all construction and related costs described in the Company's budget.

(C) With respect to any advance relating to the construction of the Facility, the Company has certified to the Holder, in such form as the Holder shall reasonably require, that the amount and value of the work performed, including any materials in place and the amount of all advances requisitioned by the Company, which certification is signed by the Company and the Contractor and is approved the Inspecting

Engineer. Advances for materials stored on or off site may be made only in the sole discretion of the Holder, whose consent for such advances may be unreasonably withheld.

(D) The Holder has not become aware that there has been any material adverse change in the financial condition of the Company.

(E) The Holder has received no notice (1) of the occurrence of an event which would constitute an Event of Default under this Bond Purchase Agreement or any of the other Financing Documents or (2) that the Project Facility, to the extent then completed, is in violation of any Applicable Law.

(F) The Title Insurer insures that the Company is the owner of record of the Land, subject to no exceptions except those approved by the Holder and Holder's counsel, and that the Mortgage is a first Lien on the Land for all amounts advanced under the Bond, including the amount to be advanced pursuant to the Request for Advance under consideration.

(G) Subject to Section 34 of the Lien Law, the Holder has received cumulative waivers of Lien as construction progresses.

(H) The Project Facility shall not have been materially injured or damaged by fire or other casualty, unless the Holder shall have received insurance proceeds sufficient, in the judgment of the Holder, to effect the satisfactory restoration of the Project Facility and to perform the completion thereof in a timely fashion.

(I) The Company shall have delivered to the Holder a copy of a building permit for the Project construction and a copy of a construction contract for the Project, satisfactory in all respects to the Holder and shall have completed and delivered to the Holder a budget and schedule of payments satisfactory to the Holder indicating thereon construction and non-construction Costs of the Project (and, to the extent such budget exceeds the amount of the Loan evidenced by the Bond, the Company shall have submitted to the Holder evidence of the expenditure of its own funds or of the availability of its own funds in an amount not less than the amount of such difference).

(J) Receipt by the Holder of such other or further documents, data or information with respect to the Company, the Project Facility and/or the progress of construction as the Holder may reasonably request.

(K) Copies of (1) the contract between the Company and its Architect, with a further performance letter and (2) each Contract then in existence, with a further performance letter.

(L) The final Plans and Specifications.

(M) Evidence that the Inspecting Engineer, hired by the Holder at the expense of the Company, to perform a review of the Plans and Specifications and to make construction inspections during the Construction Period has so reviewed the Plans and Specifications and the status of construction of the Facility and has found same acceptable.

**SECTION 404. ACCESS TO PROJECT FACILITY BY THE HOLDER.** The Holder and its agents shall, at all times during construction, have the right of entry and free access to the Project Facility to inspect all work done, labor performed and materials furnished and to inspect all books and records of the Issuer and the Company in connection with the Loan evidenced by the Bond at reasonable times upon reasonable notice.

SECTION 405. EFFECT OF INSPECTIONS AND ADVANCES. The Holder shall have no obligations or liability whatsoever with respect to the construction of the Project Facility other than to purchase the Bond in the manner as herein provided. Although the Holder has the right under this Bond Purchase Agreement to inspect or examine the Project Facility from time to time, and although various matters relating to the Project Facility have been previously approved by the Holder or are subject to the Holder's approval, such inspection and approval rights are for the Holder's internal uses and purposes only and are not exercised or intended to be exercised for the protection or benefit of the Company or the Issuer. No action taken or inaction by the Holder or the Inspecting Engineer, and no approval given by the Holder or the Inspecting Engineer with respect to the construction of or any other manner related to the Project Facility shall be construed to be, or relied on in any manner by Company or the Issuer as, a representation or warranty or other assurance by the Holder or the Inspecting Engineer as to the quality or acceptability of the matter or thing inspected or approved by the Holder or the Inspecting Engineer.

SECTION 406. ADVANCES UPON EVENTS OF DEFAULT. In the event of the occurrence of any Event of Default hereunder, the Holder shall have the right, but not the obligation, to advance proceeds directly to any architects, contractors, subcontractors, mechanics, materialmen, laborers or suppliers against requisitions for payment under any agreements, contracts or subcontracts, as the case may be, and the execution and delivery of this Bond Purchase Agreement by the Company shall and does hereby constitute an irrevocable direction and authorization to the Holder to make such advances.

SECTION 407. ESTABLISHMENT OF FUNDS. (A) The Holder hereby establishes and creates the following special trust funds on behalf of the Issuer:

(1) Clinton County Capital Resource Corporation (Behavioral Health Services North, Inc. Project) - Insurance and Condemnation Fund (the "Insurance and Condemnation Fund"); and

(2) Clinton County Capital Resource Corporation (Behavioral Health Services North, Inc. Project) - Rebate Fund (the "Rebate Fund").

(B) The funds and accounts created under this Bond Purchase Agreement shall be maintained by the Holder and shall be held in the custody of the Holder. The Issuer authorizes and directs the Holder to disburse moneys from said funds and accounts for the purposes specified herein, which authorization and direction the Holder hereby accepts. All moneys required to be deposited with or paid to the Holder under any section of this Bond Purchase Agreement shall be held by the Holder on behalf of the Issuer, subject to the Lien of the Mortgage and as security for the Bond (except for moneys held by the Holder in the Rebate Fund). Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Holder or any other Person.

SECTION 408. INSURANCE AND CONDEMNATION FUND. (A) The Issuer and the Company hereby direct that the Net Proceeds of any insurance settlement or Condemnation award in connection with damage to or destruction of or the taking of part or all of the Project Facility shall be paid to the Holder for deposit into the Insurance and Condemnation Fund. All moneys required to be deposited with or paid to the Holder under this Section 408 shall be held by the Holder on behalf of the Issuer, subject to the Lien of the Mortgage and as security for the Bond.

(B) The Issuer authorizes and directs the Holder to withdraw money from the Insurance and Condemnation Fund for the purposes specified herein, which authorization and direction the Holder hereby accepts.

(C) If, pursuant to Sections 7.1(B) or 7.2(B) of the Loan Agreement, the Project Facility is damaged or taken and the Company exercises its option not to repair, rebuild or restore the Project Facility,

or if a taking in Condemnation as described in Section 7.2(D) of the Loan Agreement occurs, the Holder shall utilize all moneys held in the Insurance and Condemnation Fund to prepay the principal amount of the Bond.

(D) If the Project Facility is damaged or taken and the Company elects to repair, rebuild or restore the Project Facility, and provided no Event of Default has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or destruction of or the taking of the Project Facility shall be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in Section 407(E) hereof.

(E) The Holder is hereby authorized to and shall make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration, or periodically as such repairs, rebuilding or restoration progress, subject to conditions imposed by the Holder in its discretion to assure completion or restoration of the Project Facility in form and in a manner satisfactory to the Holder, including, without limitation, satisfaction of the conditions for advances of Bond Proceeds in Section 401(C) and (D) hereof, upon receipt by the Holder of a request for disbursement from the Insurance and Condemnation Fund, signed by an Authorized Representative of the Company, stating, with respect to each payment to be made: (1) the amount or amounts to be paid, the Person or Persons (which may include the Company for reimbursement of such costs) to whom an amount is to be paid and the total sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project Facility; (3) that all contractors, workmen and suppliers have been paid or will be paid through the date of such certificate from the funds to be disbursed (unless any such amount is being contested in good faith); (4) that no Event of Default exists, and no condition, event or act exists which, with notice or the lapse of time or both, would constitute an Event of Default; (5) that such Authorized Representative of the Company has no knowledge, after diligent inquiry and after searching the records of the appropriate state and local filing offices, of any unbonded vendor's Lien, mechanic's Lien or security interest which should be satisfied, discharged or bonded before the payment as requested is made or which will not be discharged by such payment; (6) that no certificate with respect to such expenditures has previously been delivered to the Holder; and (7) that there remain sufficient moneys in the Insurance and Condemnation Fund attributable to the damage to, destruction of, or taking of the Project Facility (together with other monies available to the Company) to complete the repair, rebuilding or restoration of the Project Facility. Each such request for disbursement shall be accompanied by bills, invoices or other evidences reasonably satisfactory to the Holder. The Holder shall be entitled to rely on such request for disbursement.

(F) Upon completion of the repair, rebuilding or restoration of the Project Facility, an Authorized Representative of the Company shall deliver to the Issuer and the Holder a certificate stating (1) the date of such completion, (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid (unless any such amount is being contested in good faith), (3) that the Project Facility has been restored as a complete architectural unit of substantially the same usefulness, design and construction as existed immediately prior to the damage or Condemnation thereof, or to a condition of at least equivalent value, operating efficiency and function, (4) that the Company and/or the Issuer has good and valid title to all Property constituting part of the restored Project Facility, and that the Project Facility is subject to the Loan Agreement and the Lien of the Mortgage, (5) the applicable Rebate Amount with respect to the Net Proceeds of the insurance settlement or Condemnation award and the earning thereof (with a statement as to the determination of the Rebate Amount and a direction to the Holder of any transfer to the Rebate Fund), and (6) that the restored Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (b) that it is given only for the purposes of this Section 408, and (c) that no Person other than the Issuer or the Holder may benefit

therefrom. Such certificate shall be accompanied by (x) a certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes and (y) an opinion of counsel to the Company addressed to the Issuer and the Holder that the Mortgage constitutes a valid first priority mortgage Lien on and a valid first priority perfected security interest in the Project Facility, subject only to Permitted Encumbrances.

(G) All earnings on amounts held in the Insurance and Condemnation Fund may be used to pay the cost of the restoration of the Project Facility upon satisfaction of the conditions contained in this Section 408. All moneys which remain in the Insurance and Condemnation Fund after the receipt by the Holder of the items required by subsection (F) hereof shall be paid to the Company for its purposes.

(H) If the cost of the repairs, rebuilding or restoration effected by the Company shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Holder shall apply such difference to prepay the Bond.

(I) Pursuant to Section 7.1 and Section 7.2 of the Loan Agreement, if the estimated cost of the repair, rebuilding or restoration of the Project Facility shall be in excess of the moneys held in the Insurance and Condemnation Fund, the Company shall deposit in the Insurance and Condemnation Fund such additional moneys as are necessary to pay the cost of completing such repair, rebuilding or restoration. The Holder may withhold any advance from the Insurance and Condemnation Fund until the Company shall make such deposit.

(J) Notwithstanding the foregoing, in no event shall the Holder disburse the final ten percent (10%) of amounts deposited in the Insurance and Condemnation Fund until the Holder shall have received the calculation of the Rebate Amount described in Section 409 hereof determined in accordance with the Tax Regulatory Agreement from the Company together with, if any rebate is due, either directions (1) to transfer the Rebate Amount from the Insurance and Condemnation Fund to the Rebate Fund, or (2) to pay the Rebate Amount with amounts deposited in the Rebate Fund.

SECTION 409. REBATE FUND. (A) The Holder, upon the receipt of a certificate of the Rebate Amount from an Authorized Representative of the Company, shall deposit in a subaccount in the Rebate Fund (the "Rebate Fund Principal Subaccount"), within thirty (30) days after the end of each Bond Year commencing with the first Bond Year, an amount such that the amount held in the Rebate Fund Principal Subaccount after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year. If there has been delivered to the Holder a certification of the Rebate Amount in conjunction with the completion of the Project or the restoration of the Project Facility pursuant to Section 3.4 of the Loan Agreement or Section 408(F) hereof at any time during a Bond Year, the Holder shall deposit in the Rebate Fund Principal Subaccount upon receipt of such certification an amount such that the amount held in the Rebate Fund Principal Subaccount after such deposit is equal to restoration of the Project Facility. The amount to be deposited in the Rebate Fund shall be withdrawn from the earnings subaccount of the fund or funds designated by the Company, or in the event that the amounts held in such earnings subaccount are less than the Rebate Amount, the amount to be deposited shall be withdrawn from the fund or funds designated by the Company or from other moneys made available by the Company.

(B) Amounts on deposit in the Rebate Fund Principal Subaccount shall be invested in accordance with the provisions of Section 408 hereof and the Tax Regulatory Agreement. All income from such investments shall be deposited in a subaccount in the Rebate Fund (the "Rebate Fund Earnings Subaccount") and paid to the United States on the date of any payment made pursuant to Section 409(D) hereof.

(C) In the event that on the first day of any Bond Year, after the calculation of the Rebate Amount, the amount on deposit in the Rebate Fund Principal Subaccount exceeds the Rebate Amount, the Holder, upon the receipt of written instructions from an Authorized Representative of the Company, shall withdraw such excess amount and apply such amounts to the completion of the Project prior to the Completion Date, or, after the Completion Date, apply such amounts to the payment of principal and interest due on the Bond on the next following Bond Payment Date.

(D) The Holder, upon the receipt of written instructions from an Authorized Representative of the Company, shall pay to the United States, from amounts on deposit in the Rebate Fund or from other moneys supplied by the Company, (1) not less frequently than once every five (5) years after the date of original issuance of the Bond, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bond as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Subaccount, and (2) not later than thirty (30) days after the date on which the Bond have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Subaccount.

(E) This Section 409 may be amended without notice to, or consent of the Holder at the request of the Company to comply with the applicable regulations of the Treasury Department upon the delivery by the Company to the Holder of an opinion of Bond Counsel that such amendment will not adversely affect the tax-exempt status of the interest payable on the Bond.

#### SECTION 410. INVESTMENT OF MONEYS IN INSURANCE AND CONDEMNATION FUND.

(A) Any moneys in the funds established pursuant to Section 407 hereof not required for immediate use or disbursement shall be invested and reinvested by the Holder in Authorized Investments, as the Company shall direct in writing, or orally, if promptly confirmed in writing, except that the Holder need not make an investment which would, in its opinion, result in insufficient uninvested funds being available to meet anticipated requests for advance. In making any such investment, the Holder may rely conclusively on the written directions of the Company delivered to it pursuant to this Section 410 and the Holder shall be relieved of all liability with respect to the making of such investments in accordance with such directions. In the absence of such direction, the Holder shall have no duty to invest such moneys and shall not be liable for interest thereon.

(B) Investments made pursuant to this Section 410 with respect to a fund shall mature in such amounts and have maturity dates or be subject to redemption at the option of the holder thereof on or prior to the dates on which the moneys invested therein will be needed for the purposes of such fund. The Holder may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in the fund from which the moneys to acquire such investment was taken is insufficient in the sole reasonable judgment of the Holder for the purposes thereof. Any such investments shall be held by or under control of the Holder and shall be deemed at all times a part of the fund from which the moneys to acquire such investment was taken, and the interest accruing thereon and any profit realized from such investments shall be credited to and held in, and any loss shall be charged to, such fund.

(C) Neither the Holder nor the Issuer nor their respective members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any investments made pursuant to this Section 410 or for any loss arising from any such investment, except, in the case of the Holder, as a result of its willful misconduct or gross negligence.

SECTION 411. LIEN ON FUNDS. The Issuer and the Company hereby assign and grant to the Holder a Lien upon and security interest in the Insurance and Condemnation Fund and any other fund or account established pursuant to Section 407 hereof (except the Rebate Fund) and all investments made pursuant to

Section 410 hereof as security for the payment of the principal of, premium, if any, and interest on the Bond and all sums payable pursuant to this Bond Purchase Agreement.

## ARTICLE V

### REPAYMENT BY ISSUER

SECTION 501. PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. (A) The Issuer shall pay the principal of, and the premium, if any, and interest on, the Bond in accordance with the provisions thereof, but solely to the extent provided in Section 503 hereof.

(B) In the event any payment of the principal of, or premium, if any, or interest on, the Bond is not paid within ten (10) days of the date when due, the Issuer, subject to the limitations contained in Section 503 hereof, shall pay the same, together with a late charge in an amount equal to five percent (5%) of any such overdue payment.

SECTION 502. PREPAYMENT OF THE BOND. The unpaid principal amount of the Bond may be prepaid only according to the terms and conditions provided in the Bond.

SECTION 503. SPECIAL OBLIGATIONS. (A) The Bond, together with interest thereon and the obligations of the Issuer contained in this Bond Purchase Agreement and in the other Financing Documents, shall constitute a special obligation of the Issuer, and the principal of, and the premium, if any, and interest on, the Bond and all other charges payable by the Issuer pursuant to this Bond Purchase Agreement and such other Financing Documents shall be payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement (except for revenues derived and to be derived in connection with the Unassigned Rights), and any sale or other disposition of the Project Facility.

(B) NEITHER THE MEMBERS, OFFICERS, AGENTS (OTHER THAN THE COMPANY), SERVANTS OR EMPLOYEES OF THE ISSUER, NOR ANY PERSON EXECUTING THE BOND, SHALL BE LIABLE PERSONALLY THEREON OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE OR DELIVERY THEREOF OR BE LIABLE PERSONALLY HEREON OR THEREON OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BASED HEREON OR THEREON. THE BOND, AND THE PREMIUM, IF ANY, AND INTEREST THEREON, ARE NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, A DEBT OF THE STATE OF NEW YORK, CLINTON COUNTY, NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE OF NEW YORK, CLINTON COUNTY, NEW YORK NOR ANY SUCH POLITICAL SUBDIVISION SHALL BE LIABLE THEREON.

(C) All payments made by or on behalf of the Company to the Holder or to its successors or assigns as holder of the Bond, or upon its or their order, pursuant to this Bond Purchase Agreement or any other Financing Document or any other security for the Bond shall, to the extent of the sum or sums so paid, satisfy and discharge the liability of the Issuer for monies payable upon the Bond or pursuant to this Bond Purchase Agreement and the other Financing Documents, as the case may be. The Holder agrees, within ten (10) days after the receipt of a request for same, to give the Issuer and the Company a written statement of the then current unpaid principal balance of the Bond.

SECTION 504. DEFEASANCE. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, the Indebtedness, then this Bond Purchase Agreement and all covenants, agreements and other obligations of the Issuer hereunder, and the liens and security interests created by this Bond Purchase Agreement and the other Financing Documents shall thereupon terminate and be discharged and satisfied, and thereupon all the monies and properties of the Issuer then subject to such liens and security interests shall be free and clear thereof. In such event, the Holder shall execute and record or file, at the expense of the Company, all documents reasonably requested by the Issuer to effect such discharge and satisfaction.



SECTION 505. ADDITIONAL AMOUNTS PAYABLE FOLLOWING AN EVENT OF TAXABILITY.

(A) If an Event of Taxability shall occur, the Issuer shall, subject to the limitations contained in Section 503 and Section 807 hereof, pay to the Holder the following additional amounts with respect to the Bond:

(1) Until payment of the Bond in full, on or before each interest payment date on the Bond, the Issuer shall pay accrued interest on the Bond calculated at the Taxable Rate.

(2) Within seven (7) business days after demand by the Holder, regardless of whether such demand shall be made prior to or at the maturity of the Bond or subsequent to payment in full of the Bond, the Issuer shall pay the following additional amounts:

(a) an amount equal to the difference between (i) the interest payments that would have been payable on the Bond had such interest payments been calculated from the date such interest was deemed to be includable in the gross income of the Holder for federal income tax purposes at the Taxable Rate, as such Taxable Rate may have varied from time to time during such period, and (ii) the amount of such interest payments actually made, plus

(b) the amount of penalties, additions to tax or interest assessed against the Holder on account of the inclusion of the interest payments on the Bond in the Holder's gross income for federal income tax purposes.

(B) If an Event of Taxability shall occur following the payment in full of the principal of, premium, if any, and interest on the Bond, the Holder shall give notice to the Company of such Event of Taxability and, within thirty (30) days after receipt thereof, the Company shall pay to the Holder an amount equal to 100% of all amounts payable by the Issuer to the Holder pursuant to subsection (A) hereof.

(C) The obligations of the Issuer and the Company under this Section shall survive the payment in full of all sums due under the Bond and this Section and shall continue in full force and effect until sixty (60) days after all applicable statutes of limitation have run (after taking into account all extensions and suspensions thereof) in respect of any taxable year during which any payment of interest on the Bond was received or accrued.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

SECTION 601. EVENTS OF DEFAULT DEFINED. (A) The following shall constitute Events of Default hereunder:

(1) A default occurs, within ten (10) days written notice to the Company by the Holder, of non-payment of the principal, interest and premium, if any, or any other sum due on the Bond or any other amounts specified to be paid herein;

(2) Other than as provided in Paragraphs (1) or (3) of this Section 601(A), the failure of the Issuer or the Company to comply with any of the covenants, conditions or agreements made, or to be observed, by either of them in this Bond Purchase Agreement for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given in writing to the Issuer and the Company, provided that if such default cannot reasonably be cured within such thirty (30) day period and the Company shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require the Company in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of sixty (60) days, or shall be construed as having the effect of extending the Completion Date;

(3) Any representation or warranty made by the Issuer or the Company herein or in any other instrument or document delivered by the Issuer or the Company to the Holder in connection with the sale of the Bond proves to be false or misleading in any material respect at the time it was made;

(4) An Event of Default shall occur under any of the other Financing Documents;

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

(6) Any sale, conveyance, lease agreement or any other change of ownership of the Project Facility, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Issuer or the Company (except pursuant to the Loan Agreement) of their respective interest in the Project Facility or any part thereof or the granting of any easements or restrictions or the permitting of any encroachments on the Project Facility (except as permitted in the Loan Agreement); provided, however, that sewer, drainage, utility, and other similar easements and/or de minimis boundary line adjustments on, in and around the Project Facility may be made or granted in the ordinary course of business;

(7) (a) The filing by the Company (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (b) the failure by the Company within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Company's ability to carry out its obligations hereunder, (c) the commencement of a case under Title 11 of the United States Code against the Company as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Company and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days, (d) the entry of an order for relief by a court of competent

jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company, or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the of the Company, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment;

(8) The imposition of a Lien on the Project Facility, other than a Permitted Encumbrance;

(9) The removal of the Equipment, or any portion thereof, outside Clinton County, New York, without the prior written consent of the Issuer and the Holder, other than in connection with a removal under Section 4.1 of the Loan Agreement;

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

(11) If any Federal tax lien is filed against the Company or the Mortgaged Property and the same is not bonded or otherwise discharged of record within ninety (90) days;

(12) If, without the consent of the Holder, any leases affecting the Project Facility are made, canceled or materially modified or if any portion of the rents of the Mortgaged Property is paid for a period of more than one (1) month in advance or if any of the rents of the Mortgaged Property are further assigned; or if the Company shall assign the rents or any part of the rents of the Mortgaged Property without first obtaining a written consent of the Holder to such assignment, or upon the actual or threatened demolition, removal or material alteration, without like consent, of any building erected or to be erected upon said premises; or

(13) If the Company shall make an assignment for the benefit of creditors.

(B) The Company will furnish to the Holder, within seven (7) days after becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, written notice specifying the nature and period of existence thereof and the action which the Company is taking or proposes to take with respect thereto.

SECTION 602. REMEDIES ON DEFAULT. (A) Whenever any Event of Default shall have occurred, the Holder may, in its sole discretion, by written notice to the Issuer and the Company, (1) terminate the obligation of the Holder to advance money under the Bond, and/or (2) purchase materials, employ workmen to protect the Project Facility and/or complete the Project Facility according to the Plans and Specifications, and/or (3) declare the unpaid principal of and the interest on the Bond to be forthwith due and payable, together with any premium payable thereon, whereupon the same shall become forthwith due and payable without protest, presentment, notice or demand, all of which, to the extent permitted by law, are expressly waived by the Issuer and the Company, and/or (4) exercise any of the remedies available to the Holder under the terms of the Financing Documents or the Enabling Act or in law or at equity. All Bond Proceeds paid or expended under this Section 602 shall be deemed advances to the Company and shall be secured by the Financing Documents. The Holder may at any time extend the payment of the Loan evidenced by the Bond, and any extension so granted shall be deemed to be made pursuant to this Bond Purchase Agreement and not in modification thereof.

(B) Whenever any Event of Default shall have occurred, interest on the Bond shall accrue at the Default Bond Rate.

(C) If any payment is not made to the Holder within (15) days after the date which it is due, the Holder shall be entitled to receive, upon demand, an amount equal to five percent (5%) of such unpaid payment.

(D) Any sums paid to the Issuer as a consequence of any action taken pursuant to this Section 602 (excepting sums payable to the Issuer as a consequence of action taken to enforce the Unassigned Rights) shall be paid to the Holder and applied in accordance with the provisions of the Financing Documents.

(E) All costs and expenses incurred by the Holder in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Company to the Holder upon demand, with interest at the Default Interest Rate for the period after notice from the Holder that such costs or expenses were incurred to the date of payment to the Holder.

(F) The Holder, upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any default under the Financing Documents, shall be at liberty, without notice, to apply for the appointment of a receiver of the rents of the Mortgaged Property, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Indebtedness, or the solvency or insolvency of any person then liable for the payment of the Indebtedness.

(G) No action taken pursuant to this Section 602 (including repossession of the Project Facility) shall relieve the Company from its obligations to make all payments required by this Bond Purchase Agreement and/or the other Financing Documents.

SECTION 603. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Bond Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer 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 herein expressly required.

SECTION 604. WAIVERS; NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. The parties hereto may at any time and from time to time waive any one or more of the conditions contained herein, but any such waiver shall be deemed to be made in pursuance hereof and not in modification hereof; and any such waiver in any instance or under any particular circumstances shall not be considered a waiver of such condition in any other instance or any other circumstances.

SECTION 605. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Company should default under any of the provisions of this Bond Purchase Agreement and the Issuer or the Holder should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Issuer or the Holder, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

ARTICLE VII  
BOND REGISTRAR

SECTION 701. APPOINTMENT OF BOND REGISTRAR, AND ACCEPTANCE OF DUTIES. (A) The Holder is hereby appointed and agrees to act as Bond Registrar with respect to the Bond. The Bond Registrar has signified its acceptance of the duties and obligations of the Bond Registrar by executing this Bond Purchase Agreement.

(B) The acceptance by the Bond Registrar of the duties imposed upon the Bond Registrar by this Article VII and under Section 8 of the Bond and the agreement by the Bond Registrar to perform said duties is subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Article VII against the Bond Registrar:

(1) The Bond Registrar undertakes to perform such duties and only such duties as are specifically set forth in Section 303 and this Article VII of this Bond Purchase Agreement and in Section 8 of the Bond;

(2) The Bond Registrar may execute any of the powers conferred upon the Bond Registrar in Section 303 and this Article VII of this Bond Purchase Agreement and in Section 8 of the Bond and perform any of the duties of the Bond Registrar by or through attorneys, agents or employees and may in all cases pay such reasonable compensation to all such attorneys and agents as may reasonably be employed in connection herewith;

(3) The Bond Registrar shall be protected in acting in good faith upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed or sent by the proper Person or Persons;

(4) The permissive right of the Bond Registrar to do things enumerated in Section 303 and this Article VII of this Bond Purchase Agreement and in Section 8 of the Bond shall not be construed as a duty and the Bond Registrar shall not be answerable for other than the gross negligence or willful misconduct of the Bond Registrar; and

(5) The Bond Registrar shall not be required to give any bond or surety in respect of the execution of the duties and powers intended to be conferred upon the Bond Registrar in this Article 7 or otherwise in respect of the premises.

(C) In consideration of the acceptance by the Bond Registrar of the duties of the Bond Registrar hereunder and under the Financing Documents, the Company hereby agrees to reimburse the Bond Registrar for reasonable out-of-pocket expenses incurred by the Bond Registrar in connection with its services hereunder or under Section 8 of the Bond, as the case may be, and to indemnify the Bond Registrar against any liabilities and other expenses which the Bond Registrar may incur in the due and proper exercise and performance of its powers and duties hereunder.

SECTION 702. MERGER OR CONSOLIDATION OF BOND REGISTRAR. Any corporation or association into which the Bond Registrar may be converted or merged, or with which the Bond Registrar may be consolidated, or to which the Bond Registrar 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 the Bond Registrar is a party, ipso facto, shall be and become successor Bond Registrar 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 of any further act, deed or conveyance on the part of any of the parties hereto.

SECTION 703. RESIGNATION BY BOND REGISTRAR. The Bond Registrar and any successor Bond Registrar may, at any time, resign as Bond Registrar and be discharged of its duties and obligations under this Article 7 by giving not less than sixty (60) days written notice to the Issuer, the Company and the Holder, which Holder shall, with the consent of the Issuer and the Company (which consent shall not to be unreasonably withheld, conditioned or delayed), designate a successor Bond Registrar within fifteen (15) days of receipt of said notice; provided, however, that in no event shall such a resignation take effect until a successor Bond Registrar has been appointed by the Holder. Any successor Bond Registrar appointed hereunder shall be a banking corporation, trust company or bank which is authorized to undertake the duties and to exercise the rights and powers intended to be conferred upon it by Section 303 and this Article VII of this Bond Purchase Agreement and in Section 8 of the Bond.

ARTICLE VIII  
MISCELLANEOUS

SECTION 801. COMPANY TO PAY EXPENSES. (A) In addition to the commitment fee referred to in Section 302(A)(1) hereof, the Company shall pay all costs and expenses in connection with the transactions contemplated herein, including, but not limited to: (1) the legal fees and disbursements of Holder's counsel and Issuer's counsel and Bond Counsel; (2) all survey costs; (3) all charges of the Title Insurer; (4) all recording and/or filing fees for all documents which Holder's counsel may require to be recorded or filed; (5) all fees of the Inspecting Engineer; (6) mortgage taxes, if any, relating to the recording of the Financing Documents; and (7) all other costs and expenses required to satisfy the conditions of the Holder Commitment, including any fee or charge of the Holder.

(B) Additionally, the Company shall pay for all costs of collection including reasonable counsel fees and disbursements upon the occurrence of an Event of Default under this Bond Purchase Agreement, whether or not an action or proceeding is commenced, and shall pay for all costs and expenses relating to any modification or amendment of any of the documents delivered in connection with the transactions contemplated by this Bond Purchase Agreement.

SECTION 802. NOTICES. (A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

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

IF TO THE COMPANY:

Behavioral Health Services North, Inc.  
22 US Oval, Suite 218  
Plattsburgh, New York, 12901  
Attention: David LePage

WITH A COPY TO:

Stafford, Owens, Piller, Murnane, Kelleher & Trombley, PLLC  
One Cumberland Avenue  
Plattsburgh, New York, 12901  
Attention: William L. Owens, Esq.

IF TO THE ISSUER:

Clinton County Capital Resource Corporation  
190 Banker Road  
Suite 500  
Plattsburgh, New York 12901  
Attention: Chairman

WITH A COPY TO:

Hodgson Russ LLP  
677 Broadway, Suite 301  
Albany, New York, 12207  
Attention: George W. Cregg, Jr., Esq.

IF TO THE HOLDER:

Glens Falls National Bank and Trust Company  
250 Glen Street  
Glens Falls, New York 12801  
Attention: Allen J. Racine, Vice President

WITH A COPY TO:

Stafford, Owens, Piller, Murnane, Kelleher & Trombley, PLLC  
One Cumberland Avenue  
Plattsburgh, New York 12901  
Attention: Jessica L. Miller, Esq.

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

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

SECTION 803. AMENDMENT. This Bond Purchase Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and delivered by the parties hereto.

SECTION 804. BINDING EFFECT. This Bond Purchase Agreement shall be binding upon and inure to the benefit of the Issuer, the Company and the Holder and their respective successors and assigns.

SECTION 805. EXECUTION OF COUNTERPARTS. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 806. APPLICABLE LAW. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 807. NO RECOURSE; SPECIAL OBLIGATION. (A) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Bond Purchase Agreement, in the Bond, in the other Financing Documents executed by the Issuer and in the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto (collectively, the "Financing Documents") shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent (other than the Company), servant or employee of the Issuer in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, director, officer, agent (other than the Company), servant or employee, as



such, of the Issuer or of any successor entity or political subdivision or any Person executing any of the Financing Documents on behalf of the Issuer, either directly or through the Issuer or any successor entity or political subdivision or any Person so executing any of the Financing Documents on behalf of the Issuer, it being expressly understood that the Financing Documents and the Bond issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent (other than the Company), servant or employee of the Issuer or of any successor entity or political subdivision or any Person so executing any of the Financing Documents on behalf of the Issuer because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent (other than the Company), servant or employee because of the creation of the indebtedness authorized by the Financing Documents, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by the Issuer of the Financing Documents and the issuance, sale and delivery of the Bond.

(B) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York or Clinton County, New York, and neither the State of New York nor Clinton County, New York shall be liable 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 Loan Agreement (except for revenues derived by the Issuer with respect to the Unassigned Rights).

(C) Notwithstanding any provision of this Bond Purchase Agreement to the contrary, no order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten (10) day period) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, hold harmless and defend the Issuer and its members, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this Section 807(C) shall not affect the full force and effect of an Event of Default hereunder.

SECTION 808. HEADINGS AND TABLE OF CONTENTS. The table of contents and the headings of the several sections in this Bond Purchase Agreement have been prepared for the convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase Agreement.

SECTION 809. SEVERABILITY. (A) If any provision of this Bond Purchase Agreement shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstances

shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained on any provision of any of the other Financing Documents inoperative or unenforceable.

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

SECTION 810. SURVIVAL OF OBLIGATIONS. This Bond Purchase Agreement shall survive the purchase and sale of the Bond and shall remain in full force and effect until the principal of the Bond, together with the premium, if any, and interest thereon and all amounts payable under this Bond Purchase Agreement and the other Financing Documents, shall have been paid in full.

SECTION 811. RECORDING AND FILING. (A) The Issuer shall record or file or cause to be recorded or filed, as the case may be, at the Company's expense, the Bond Purchase Agreement, the Pledge and Assignment, the Assignment of Rents, the Assignment of Rents Assignment, the Mortgage, the Mortgage Assignment and all other security instruments and financing statements reasonably requested by the Holder with respect to the Bond in such manner and in such places as may be required by law to perfect the liens and security interests contemplated herein and therein.

(B) The Holder is authorized to file all security instruments, including without limitation financing statements and continuation statements under the Uniform Commercial Code of the State of New York, in such manner and in such places as may be required by law to protect and maintain in force all such liens and security interests. The Issuer and the Company hereby authorize the Holder to file such instruments and statements without execution thereof by the Issuer or the Company.

SECTION 812. LIEN LAW AFFIDAVIT. A true statement, under oath, verified by the Company as required by Article 2, Section 22 of the Lien Law, is attached hereto as Exhibit D and made a part hereof.

SECTION 813. BIFURCATION. Notwithstanding anything in this Bond Purchase Agreement to the contrary, of the \$3,140,000 principal amount of the Bond, only \$2,920,272.57 is being loaned or will be advanced as a Building Loan pursuant to the provisions of this Bond Purchase Agreement and will be secured by the Mortgage. The balance of the principal amount of the Bond is being loaned or will be advanced for the purpose of paying the costs not constituting a "cost of improvement", as such quoted term is defined in Section 2 of the Lien Law.

SECTION 814. PARTICIPATION. Notwithstanding any other provision of this Bond Purchase Agreement, the Company and the Issuer understand that the Holder may at any time enter into participation agreements with one or more participating banks, financial institutions, insurance companies or other Persons whereby the Holder will allocate to each such participant certain percentages of the payment obligations of the Company under this Bond Purchase Agreement and the Loan Agreement. Notwithstanding any such participation, the Company and the Issuer shall continue to deal solely and directly with the Holder in connection with the Holder's rights and obligations under this Bond Purchase Agreement and any and all rights of the owner of the Bond under the Financing Documents may be exercised by the Holder only.

SECTION 815. PATRIOT ACT NOTICES. The Holder hereby notifies the Company that, pursuant to the requirements of the USA Patriot Act (Title III of Public Law 107-56), the Holder is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow the Holder to identify the Company in accordance with the USA Patriot Act.

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

CLINTON COUNTY CAPITAL RESOURCE  
CORPORATION

BY:   
Authorized Officer

GLENS FALLS NATIONAL BANK AND TRUST  
COMPANY, as Holder

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

BEHAVIORAL HEALTH SERVICES NORTH, INC.

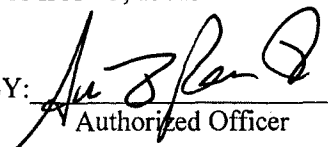
BY: \_\_\_\_\_  
Authorized Officer

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

CLINTON COUNTY CAPITAL RESOURCE  
CORPORATION

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

GLENS FALLS NATIONAL BANK AND TRUST  
COMPANY, as Holder

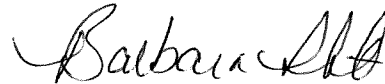
BY:  \_\_\_\_\_  
Authorized Officer

BEHAVIORAL HEALTH SERVICES NORTH, INC.

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

STATE OF NEW YORK            )  
  ) ss.:  
COUNTY OF CLINTON         )

On the 11<sup>th</sup> day of October, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Trent Trahan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

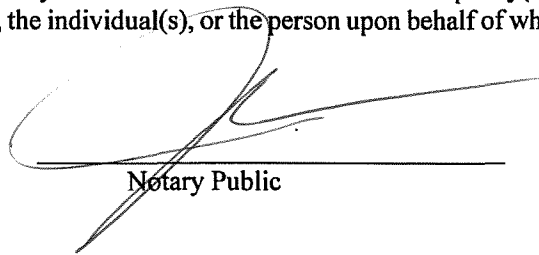


\_\_\_\_\_  
Notary Public

**BARBARA SHUTE**  
Notary Public, State of New York  
No. 01SH6191934  
Qualified in Clinton County  
Commission Expires Aug/25/ 20

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

On the 11<sup>th</sup> day of October, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Allen Racine, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

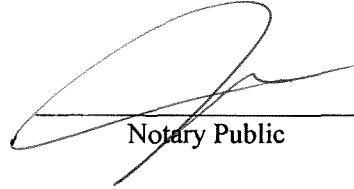


Notary Public

JESSICA L. MILLER  
Notary Public, State of New York  
No. 01RO6080133  
Qualified in Clinton County  
Commission Expires Sept. 7, 2018

STATE OF NEW YORK )  
COUNTY OF Clinton ) ss.:  
)

On the 11<sup>th</sup> day of October, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Mark Lukens, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

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

JESSICA L. MILLER  
Notary Public, State of New York  
No. 01RO6060133  
Qualified in Clinton County  
Commission Expires Sept. 9, 2018

## APPENDIX A SCHEDULE OF DEFINITIONS

The following words and terms used in the attached document shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

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

“Act” means the Enabling Act.

“Amortization Period Date” means a twenty (20) year period to begin at the end of the Interest Term.

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

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

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

“Assignment of Rents” means the assignment of rents and leases dated as of October 1, 2017 from the Company to the Issuer, which, among other things, assigns to the Issuer (a) the rents, issues and profits of the Project Facility and (b) all leases, subleases, licenses or occupancy agreements affecting the Project Facility, as said assignment of rents and leases may be amended or supplemented from time to time.

“Assignment of Rents Assignment” means the assignment of assignment of rents and leases dated as of October 1, 2017 from the Issuer to the Bank, pursuant to which the Issuer will assign the Assignment of Rents to the Bank, as said assignment of assignment of rents and leases may be amended or supplemented from time to time.

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



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

“Bankruptcy Code” shall mean the United States Bankruptcy Code, constituting Title 11 of the United States Code, as it is amended from time to time, and any successor statute.

“Bond” means the Issuer’s Tax-Exempt Revenue Bond (Behavioral Health Services North, Inc. Project), Series 2017A in a principal amount not to exceed \$3,140,000, dated the Closing Date, in substantially the form attached to the Bond Purchase Agreement as Schedule I thereto, and any Bond issued in substitution therefor pursuant to the provisions of the Bond Purchase Agreement.

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

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

“Bond Proceeds” means the proceeds of the Bond advanced by the Holder on behalf of the Issuer under the Bond pursuant to the Bond Purchase Agreement.

“Bond Purchase Agreement” means the bond purchase and building loan agreement dated as of October 1, 2017 by and among the Issuer, the Company, and the Holder setting forth, among other things, the terms and conditions under which advances will be made by the Holder under the Bond, as said bond purchase and building loan agreement may be amended or supplemented from time to time.

“Bond Rate” shall have the meaning described in the Form of Bond.

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

“Bond Resolution” means the resolution of the members of the Issuer duly adopted on August 14, 2017 authorizing the Issuer to undertake the Project, to issue and sell the Bond and to execute and deliver the Financing Documents to which the Issuer is a party.

“Building Loan” means that portion of the Loan which is advanced to pay costs which constitute a “cost of improvement”, as said quoted term is defined in Section 2, Article 1 of the Lien Law.

“Business Day” means a day other than (A) a Saturday or Sunday or (B) any day on which commercial banks in New York, New York are required or authorized by law to close.

“Closing” means the closing with respect to the issuance and sale of the Bond by the Issuer and the purchase of the Bond by the Holder pursuant to the provisions of the Bond Purchase Agreement

“Closing Date” means the date of the Closing.

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

“Company” means Behavioral Health Services North, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Loan Agreement.

“Completion Certificate” shall have the meaning assigned to such term in Section 4.4 of the Loan Agreement.

“Completion Date” means the date of substantial completion of the Project Facility, as evidenced in the manner provided in Section 3.4 of the Loan Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Period” means the period of time (A) beginning on the Closing Date and (B) ending eighteen (18) months after the Closing Date.

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

“Contractor” means any Person who has agreed to perform certain work, labor or services or to furnish certain materials, supplies or equipment in connection with the construction and/or equipping of the Facility under a Contract.

“Cost of the Project” means all those costs and items of expense enumerated in Section 3.3 of the Loan Agreement.

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

“Default Bond Rate” means a per annum rate of interest equal to sixteen percent (16%).

“Default Interest Rate” means a per annum rate of interest equal to sixteen percent (16%) however, that such interest rate shall in no event exceed the maximum interest rate which the Company may by law pay.

“Enabling Act” means Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended.

“Equipment” means all materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Bond or any payment made by the Company pursuant to Section 3.5 of the Loan Agreement, and such substitutions and replacements therefor as may be made from time to time pursuant to the Loan Agreement, including, without limitation, all the Property described in Exhibit B attached to the Loan Agreement.

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

“Event of Taxability” means (A) receipt by the Holder of a written opinion of Bond Counsel to the effect that, based on written statements, certificates, audits, filings or any other documentation furnished by an Authorized Representative of the Company or any “principal user” (as defined in the Tax Regulatory Agreement) of the Project Facility or any Related Person thereto, the \$150,000,000 limit of Section 145(b) of the Code was exceeded at any time before the end of the three-year period commencing on the later to occur of (1) the date the Project Facility is placed in service or (2) the date the Bond was issued, or (B) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exclusion, as such exists on the Closing Date, from gross income for federal income tax purposes for the interest paid or payable under the Bond, or (C) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exclusion from gross income for federal income tax purposes for interest paid or payable under the Bond is not available, is no longer available or is contrary to law, or (D) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest paid or payable under the Bond is not available, is no longer available or is contrary to law, or (E) receipt by and at the request of the Holder of a written opinion of Bond Counsel that there is no longer a basis for the holders of the Bond (or any former holder, other than a holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid or payable on the Bond is excludable from gross income for federal income tax purposes or (F) the failure by the Company, within 120 days of the Closing Date, to obtain a letter from the Internal Revenue Service (“IRS”) stating that the Company is a charitable organization as described in Section 501(c)(3) of the Code.

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

Notwithstanding the foregoing, nothing in this definition of “Event of Taxability” shall be construed (x) to mean or include consideration of the interest payable on the Bond for purposes of calculating the interest expense which may be deducted by a bank or other financial institution, or (y) to mean that the Holder or any other holder of the Bond shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bond is subject to taxation, or (z) to mean or include the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on the Holder or any other Holder of the Bond, in the calculation of which is included the interest paid or payable under the Bond.

“Facility” means various buildings and improvements located on the Land.

“FHLB NY Regular Fixed Advance Rate” shall mean a fixed rate of interest determined by the Holder to be the Regular Fixed Advance Rate offered by the Federal Home Loan Bank of New York for instruments having a term of five (5) years most recently available on the day which is two (2) Business Days immediately preceding the date for such determination, adjusted for the Holder’s reserve requirements (or if such yield is not available, a similar rate based upon a comparable index chosen by the Holder in its sole discretion).

“Final Advance” means the final advance of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

“Financial Assistance” shall have the meaning assigned to such term in the fifth recital clause to the Bond Purchase Agreement.

“Financial Institution” means (A) any national bank, banking corporation, national banking association or other banking institution, whether acting in its individual or fiduciary capacity, organized under the laws of the United States, any state, any territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the Comptroller of the Currency or a comparable state or territorial official or agency; (B) an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state, a territory or the District of Columbia; (C) an investment company registered under the Investment Company Act of 1940 or a business development company as described in Section 2(a)(48) of that Act; (D) an employee benefit plan, including an individual retirement account, which is subject to the provisions of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company or registered investment company; or (E) institutional investors or other entities who customarily purchase commercial paper or tax-exempt securities in large denominations.

“Financing Documents” means the Bond Purchase Agreement, the Bond, the Mortgage, the Loan Agreement, the Pledge and Assignment, the Mortgage Assignment, the Assignment of Rents, the Assignment of Rents Assignment, the Guaranty, the Tax Documents, the Holder Documents and any other document now or hereafter executed by the Issuer or the Company in favor of the Holder which affects the rights of the Holder in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under the Bond or any other Financing Document, and all documents related thereto and executed in connection therewith, each as amended from time to time.

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

“Further Advance” means the second and subsequent advances of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

“General Contractor” means a contractor hired by the Company, and approved by the Issuer and the Holder, as general contractor with respect to the acquisition, construction, reconstruction and equipping of the Project Facility.

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

“Guaranty” means the guaranty dated as of October 1, 2017 from the Company to the Holder, pursuant to which the Company has guaranteed to the Holder all payments due on the Bond and all of the Company’s obligations under the Loan Agreement, as said guaranty may be amended or supplemented from time to time.

“Hazardous Materials” shall mean all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the

Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), Articles 15 or 27 of the State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule or regulation.

“Holder” means Glens Falls National Bank and Trust Company, a commercial bank organized and existing under the laws of the State of New York having an office for the transaction of business located at 250 Glen Street, Glens Falls, New York, as initial purchaser of the Bond, and its successors and assigns as holder of the Bond.

“Holder Commitment” means the commitment from the Holder to the Company dated July 12, 2017, with respect to the making of the Loan contemplated by the Bond Purchase Agreement and the purchase of the Bond to evidence such Loan. A copy of the Holder Commitment is attached as Appendix B to the Bond Purchase Agreement.

“Holder Documents” means the Holder Commitment and any other document now or hereafter executed by the Issuer or the Company in favor of the Holder which affects the rights of the Holder in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under the Holder Documents.

“Indebtedness” means (1) the principal of, and the premium, if any, and the interest on, the Bond, issued in a principal amount not to exceed \$3,140,000, (2) all other payments due from the Company or the Issuer to the Holder pursuant to any of the Financing Documents, (3) the performance and observance by the Issuer and the Company of all of the covenants, agreements, representations and warranties made for the benefit of the Holder in the Mortgage and the other Financing Documents, (4) the monetary obligations of the Company to the Issuer and its members, officers, agents, servants and employees under the Loan Agreement and the other Financing Documents, and (5) all interest accrued on any of the foregoing.

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

“Inducement Date” means the date which is sixty (60) days prior to the earlier of (A) August 14, 2017 or (B) the date on which the Company declared its official intent to reimburse expenditures made with respect to the Project with proceeds of borrowed money.

“Initial Advance” means the first advance of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

“Initial Tax-Exempt Rate” means a per annum rate of interest equal to 2.75%.

“Inspecting Engineer” means an engineer or architect or firm of engineers or architects selected by the Holder to review on behalf of the Holder the construction plan and costs and to provide on behalf of the Holder inspections during construction.

“Insurance and Condemnation Fund” means the fund so designated established pursuant to Section 407(A)(1) of the Bond Purchase Agreement.

“Interest Payment Date” means the first Business Day of each calendar month during the term of the Bond, commencing November 1, 2017.

“Issuer” means (A) Clinton County Capital Resource Corporation and its successors and assigns, and (B) any public instrumentality or other political subdivision resulting from or surviving any consolidation or merger to which Clinton County Capital Resource Corporation or its successors or assigns may be a party.

“Land” means the parcel of land located at 2155 Route 22B in Town of Plattsburgh, Clinton County, New York, as more particularly described on Exhibit A attached to the Loan Agreement.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Lien Law” means the Lien Law of the State.

“Loan” means the loan by the Issuer of the proceeds received from the sale of the Bond to the Company pursuant to the provisions of the Loan Agreement.

“Loan Agreement” means the loan agreement dated as of October 1, 2017 by and between the Issuer and the Company, as said loan agreement may be amended or supplemented from time to time.

“Loan Payments” means the amounts required to be paid by the Company pursuant to the provisions of Section 5.3 of the Loan Agreement.

“Maturity Date” means the final Stated Maturity of the principal of the Bond.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Mortgage” means the building loan mortgage and security agreement dated as of October 1, 2017 from the Company to the Issuer, which, among other things, (a) grants to the Issuer a first mortgage lien on, and a security interest in, among other things, the Project Facility and all rights of the Company in the Loan Agreement and (b) assigns to the Issuer the rents, issues and profits of the Project Facility, as said building loan mortgage and security agreement may be amended or supplemented from time to time.

“Mortgage Assignment” means the assignment of building loan mortgage dated as of October 1, 2017 from the Issuer to the Holder, pursuant to which the Issuer will assign the Mortgage to the Holder, as said assignment of building loan mortgage may be amended or supplemented from time to time.

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

“National Prime Rate” means a per annum rate of interest equal to the highest “prime rate” of interest quoted, from time to time, in the Money Rates column of the Wall Street Journal as the “base rate on corporate loans at large U.S. money center commercial banks”, provided, however, that in the event that the Wall Street Journal does not publish the National Prime Rate, the National Prime Rate shall be the per

annum rate of interest quoted as the “Bank Prime Loan Rate” for “this week” in Statistical Release H.15(519) published from time to time by the Board of Governors of the Federal Reserve System calculated on actual days elapsed in a year of 360 days, such rate to be adjusted each Business Day based on the National Prime Rate as reported for the previous Business Day. Any provisions to the contrary notwithstanding, in no event shall the National Prime Rate be established beyond the maximum rate allowed by law.

“Net Proceeds” means so much of any insurance settlement or Condemnation award as remains after payment of all fees for services, expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such insurance settlement or Condemnation award.

“NFPCL” means Section 1411 of the New York State Not-for-Profit Corporation Law.

“Non-Building Loan” means that portion of the Loan which does not constitute part of the Building Loan.

“Permitted Encumbrances” means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that exist on the Closing Date or after the Closing Date solely to the extent that the same and benefit or do not materially impair the utility or the value of the Property affected thereby or for the purposes for which it is intended, (B) mechanics’, material-men’s, warehousemen’s, carriers’ and other similar Liens, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by Section 6.2(B) of the Loan Agreement, or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Financing Document, (E) any Lien on the Project Facility in favor of the Holder, (F) any Lien listed on Exhibit C to the Mortgage, (G) any Lien permitted by the Holder in writing, and (H) purchase money security interests and liens entered into in the ordinary course of business of not more than \$50,000 annually.

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

“Plans and Specifications” means (1) with respect to the Issuer, the description of the Project Facility appearing in the fourth recital clause to the Loan Agreement, and (2) with respect to the Holder, any plans and specifications for the construction of the Facility approved by the Holder.

“Pledge and Assignment” means the pledge and assignment dated as of October 1, 2017 from the Issuer to the Holder, pursuant to which the Issuer has assigned to the Holder its rights under the Loan Agreement (except the Unassigned Rights), as said pledge and assignment may be amended or supplemented from time to time.

“Project” shall have the meaning assigned to such term in the fourth recital clause to the Loan Agreement and the Bond Purchase Agreement.

“Project Facility” means, collectively, the Land, the Facility and the Equipment.

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

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

“Rebate Fund” means the fund so designated established pursuant to Section 407(A)(2) of the Bond Purchase Agreement.

“Request for Advance” means a request from the Company, as agent of the Issuer, stating the amount of the advance sought and containing the statements, representations and other items required by Section 3.3 of the Loan Agreement and by the Bond Purchase Agreement, in substantially the form of Exhibit C attached to the Bond Purchase Agreement.

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

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

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

“State” means the State of New York.

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

“Subsequent Adjustment Date” means the tenth (10<sup>th</sup>) or fifteenth (15<sup>th</sup>) year anniversary of the Construction Period, on which date the Initial Tax-Exempt Rate will be adjusted to the applicable Subsequent Tax-Exempt Rate.

“Subsequent Tax-Exempt Rate” means a fixed per annum rate of interest equal to two-thirds of 175 basis points over the FHLB Rate.

“Taxable Bond Rate” means with respect to a Tax-Exempt Bond, the Taxable Rate as defined in such Bond.

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

“Tax-Exempt Bond” means any Bond issued as an obligation of the Issuer, the interest on which is intended to be excluded from the gross income of the Holder thereof pursuant to Section 103 and Section 145 of the Code.

“Tax-Exempt Rate” means, with respect to a Tax-Exempt Bond, the rate or rates of interest payable on such Bond prior to the occurrence of an Event of Taxability.

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

“Termination of Loan Agreement” means a termination of Loan Agreement by and between the Company, as borrower, and the Issuer, as lender, intended to evidence the termination of the Loan Agreement, substantially in the form attached as Exhibit C to the Loan Agreement.

“Title Insurer” means the issuer of the title insurance policy required by the Holder pursuant to Section 4.2 of the Loan Agreement and Section 302(A)(10) of the Bond Purchase Agreement.



“Unassigned Rights” means (A) the rights of the Issuer granted pursuant to Sections 2.2, 3.1, 3.2, 3.3, 3.8, 4.4, 5.1(A)(2), 5.1(B), 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.11, 8.14, 8.16, 8.17, 9.1, 9.2, 11.1, 11.4, 11.7 and 11.9 of the Loan Agreement, (B) the moneys due and to become due to the Issuer for its own account or the members, directors, officers, agents (other than the Company), servants and employees of the Issuer for their own account pursuant to Sections 2.2, 5.1(B)(2), 5.1(C), 6.4(B), 8.2, 10.2 and 10.4 of the Loan Agreement, and (C) the right to enforce the foregoing pursuant to Article X of the Loan Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Company under the Sections of the Loan Agreement listed in (A), (B) and (C) above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, agents (other than the Company) and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Holder pursuant to the Pledge and Assignment, shall be deemed to and shall constitute obligations of the Company to the Issuer and the Holder, jointly and severally, and either the Issuer or the Holder may commence an action to enforce the Company’s obligations under the Loan Agreement.

APPENDIX B  
COPY OF THE HOLDER COMMITMENT

**GLENS FALLS NATIONAL BANK AND TRUST COMPANY**

250 GLEN STREET  
P. O. BOX 307  
GLENS FALLS, NEW YORK 12801-0307  
(518) 793-4121

July 12, 2017

Mark Lukens, President & CEO  
Behavioral Health Services North, Inc.  
22 U.S. Oval, Suite 218  
Plattsburgh, NY 12901

Dear Mr. Lukens:

I am pleased to inform you that Glens Falls National Bank and Trust Company (the "Bank") has approved your request for financing as indicated below.

The credit facility will include the basic terms and conditions set forth below. The following terms and conditions are not intended to be exhaustive, since final documentation of the credit facility will require further discussions and approval by the Bank and Borrower's legal counsel.

**GENERAL TERMS**

**Borrower:** Behavioral Health Services North, Inc.

**Amount:** Up to \$3,140,000 construction to permanent commercial mortgage, limited to 90% loan to value of the subject property.

**Purpose:** To finance construction costs related to a 12,500 square foot addition.

**Term:** *Construction Period:* 18 months  
*Permanent Period:* 20 year term with a 20 year amortization period.

**Rate:** Tax exempt rate of 2.75% fixed for 5 years, adjusting thereafter at 5 year intervals to 67% of the total of the then 5 year FHLBNY Regular Fixed Advance Rate plus 175 basis points.  
  
If the transaction is found to be taxable, the rate will be set at 4.10% fixed for 5 years, adjusting thereafter at 5 year intervals to 175 basis points over the 5 year FHLBNY Regular Fixed Advance Rate.

**Tax Exempt Status:** The tax exempt interest rate is conditioned on verification to the satisfaction of the lender's counsel that the entire transaction is considered tax-exempt for the lender.  
  
If at any time while the Loan remains unpaid, the Bank subsequently must recognize the interest income as taxable, the Interest Rate will change simultaneously with the change in classification to a taxable equivalent interest rate.

**Commitment Fee:** A commitment fee of \$7,350.00 will be due and payable upon acceptance of this commitment.

**Application Fee:** A non-refundable application fee of \$3,850 will be applied to closing costs (Satisfied.)

X

Commitment Letter  
Behavioral Health Services North, Inc.

**Prepayment**

**Penalty:** *Construction Period:* The loan will be subject to a 2% prepayment penalty on the original loan amount if paid during the 18 month construction period.

*Permanent Period:* The loan will be subject to a prepayment fee of 2% of the original loan amount if paid within years one and two, 1.5% of the original loan amount if paid within years three and four, and 1% of the original loan amount if paid within years five and six; and none thereafter.

**Payments:** *Construction Period:* Monthly interest only payments during the 18 month construction period.

*Permanent Period:* Monthly interest and principal payments in an amount sufficient to amortize the loan in full over 20 years. Interest shall be computed on the basis of a year consisting of 360 days and paid for actual days elapsed.

**ACH Transfer:** Throughout the term of the Loan, Borrower agrees to make payments to the Bank by automatic transfer and/or debit through the automated clearinghouse funds ("ACH") system. At closing Borrower will execute and deliver the Bank's standard ACH form for the Loan.

**Late Payments:** Borrower will have a grace period of 10 days within which to make payments due on the loan. Any payment made thereafter shall be subject to a 5% late charge. In the event of a default (as defined in the loan documents), the interest rate shall be increased to 16% per annum during the period of default.

<b>COLLATERAL REQUIREMENTS</b>
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**Collateral:** First mortgage on real property located at 2155 Route 22B, Morrisonville, NY.

An Assignment of Rents and Leases associated with the property: An assignment of all the Borrower's right, title and interest in and to all leases now or hereafter in existence, together with all rents to be paid thereunder.

A first security interest in all Borrower's fixtures, equipment, leasehold improvements, chattel paper and articles of personal property located at or used in the operation of the subject real property whether now owned or hereafter acquired.

A first security interest in all plans, approvals, permits and contracts associated with the project.

**Appraisal:** This loan commitment is subject to receipt of a current real estate appraisal on the property to secure the proposed financing with a minimum appraised value of \$3,489,000. If the value is less, the Bank will loan a maximum of 90% of the value. The appraisal is to be ordered by the Bank, and is subject to satisfactory review by the Bank. The appraisal fee will be paid to the Bank by the Borrower upon acceptance of this Commitment. The Borrower shall also bear the cost and expense of any additional appraisals that may be required during the term of the loan, but not more than once in a 12-month period.

**Insurance:** Flood determinations will be ordered on the subject property. Should flood insurance be required for the subject property, you will be notified of same prior to closing and you must provide the following: verification that adequate flood insurance has been purchased and the policy is in effect as of the date of closing. The coverage must equal the lower of the maximum required by the National Flood Insurance Program, the minimum amount required under the terms of coverage to compensate for damage or loss on a replacement cost basis, or the unpaid balance of the mortgage if replacement cost compensation is not available. The policy must name "Glens Falls National Bank & Trust Company, its successors and/or assigns, as their interests may appear" as mortgagee. It should also list the Bank address as 250 Glen Street, Glens Falls, NY 12801.

Commitment Letter  
Behavioral Health Services North, Inc.

Receipt of general insurance evidence or policies, satisfactory to the Bank, at least three (3) days prior to scheduled loan closing. Policies of fire, liability, extended coverage, and such other hazard insurance as this Bank may require, are to be delivered to the Bank with acceptable mortgage clauses and issued by a company satisfactory to the Bank in an amount equal to the mortgage loan or 100% replacement cost of the improvements, together with satisfactory receipt for premium payment. Policy must be with a company having a "B" or better general policyholder's rating as published in Best's Insurance Reports. The standard Acord binder is acceptable for closing provided the amount of insurance and annual premium is stated thereon. All policies are to include a 30-day notice of cancellation clause. The mortgage endorsement is to read:

**Glens Falls National Bank & Trust Company, its successors and/or assigns  
250 Glen Street  
Glens Falls, NY 12801  
Named as "Mortgagee and Lender's Loss Payable"**

**Title Insurance:** Prior to closing, the Borrower will deliver a preliminary title report from a Title Insurance Company acceptable to the Bank which shall set forth a description of the property to be mortgaged and copies of all instruments which appear as exceptions.

At closing, the Borrower will deliver to the Bank, at Borrower's expense, an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the Bank and its counsel, issued by an insurer satisfactory to the Bank, together with such endorsements as the Bank may request, in a policy equal to the Loan, and subject only to such exceptions as are acceptable to the Bank. The Borrower will furnish the title company with such affidavits or indemnity agreements as the title company shall require to insure the Bank's liens as valid first priority.

**Survey:** A survey of the real property collateral by a licensed surveyor approved by the Bank reflecting all improvements thereon and all easements affecting the property is required prior to loan closing. The survey must be certified to the Bank, its successors and/or assigns, and the Title Insurer.

**Real Estate Taxes:** The Borrower shall provide proof of payment of current period real estate taxes on the property to be mortgaged.

**Zoning & Use:** Evidence satisfactory to the Bank and counsel for the Bank that the Premises complies with all zoning statutes, rules and regulations governing use and operations of Premises.

**Environmental Issues:** Evidence will be provided by the borrower as to whether or not the properties to be mortgaged are located within any area designated as a hazardous waste site by any federal, state, or governmental authority, and whether or not any hazardous or toxic waste or other materials regulated, controlled or prohibited by any federal, state, or local environmental law are located on the land. The Bank will require that the Borrower complete an Environmental Affidavit (see attached) 10 days prior to funding. The Bank will also require an Environmental Compliance & Indemnification Agreement to be signed at closing.

If in the Bank's opinion, or the Bank's Counsel's opinion, there is a question concerning a possible adverse finding of environmental hazard on the property to be mortgaged, the Bank will require what is commonly described as a Phase I Environmental Audit. Lender reserves the right to require updated audits, or site assessment reports from time to time at the Borrower's expense. If there is any adverse finding from that audit or under a Phase II Environmental Audit, this commitment will be immediately null and void and have no further force and effect. All expenses associated with the environmental issues described in this letter will be at the sole cost and expense of the Borrower.

<b>OTHER TERMS AND CONDITIONS</b>
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- Financial:** CPA prepared audited financial statements will be provided to the Bank annually within 120 days of fiscal year end.
- Annual budget will be provided to the Bank within 60 days of fiscal year end.
- Internally prepared financial statements will be provided to the Bank quarterly within 45 days of quarter end.
- Conditions:** The Borrower is required to inject \$3,800,000 in grant proceeds into the project prior to advancing on the loan.
- Receipt and satisfactory review of the Grant Award Letter and any supporting documentation outlining the terms of the Grant.
- Receipt and satisfactory review of Department of Health, or any other regulatory agency approvals related to the project.
- Receipt and satisfactory review of documentation showing tax exempt status.
- The Borrower will maintain its primary accounts with the Bank.
- No additional liens or encumbrances are to be placed on the collateral, unless with the express written consent by the Bank.
- The Bank reserves the right to establish an escrow account for real estate taxes and insurance.
- Ownership in any of the properties referenced herein may be transferred only with the Bank's written approval.
- Shareholder/Membership interests in the borrower or guarantors will not change, through merger, sale or otherwise, without written consent of the Bank.
- Proof of the issuance and effectiveness of all permits, licenses, and registrations required in connection with the use of the Mortgaged Premises.
- Receipt of a copy of the current deed for the premises to be mortgaged.
- Receipt of all current tax receipts.
- Ten-year tax search.
- Subject to other terms, covenants and conditions to be determined by Bank.
- Loan Covenants:** Borrower is to maintain a Debt Service Coverage Ratio (DSCR) of 1.25x or greater, to be tested annually upon receipt of audited financial statements and calculated as follows:
- Net Income + Depreciation + Amortization + Interest Expense + Net Cash Flow Adjustments  
Interest Expense + Current Maturities

Commitment Letter  
Behavioral Health Services North, Inc.

**Adverse**

**Change:** The Bank may terminate this Commitment if, except as may be otherwise provided herein, (a) the loan, or any other feature of the loan transaction has been or is misrepresented by Borrower in the loan application, or otherwise (b) any material adverse change shall occur with respect to the premises, the improvements, Borrower, any guarantor or indemnitor, or any other person or entity (including lessees) connected with the loan or any collateral for the loan or other source of repayment of the loan at any time prior to the closing of this loan, (c) any part of the premises shall have been taken in condemnation or other like proceeding, or any such proceeding is pending at the time of closing, or (d) Borrower, any guarantor or indemnitor, or any other person or entity (including lessees) connected with the loan or any collateral for the loan or other source of repayment of the loan shall be insolvent or involved in any arrangement, bankruptcy, reorganization or insolvency proceeding.

**Costs and Fees:** Borrower's acceptance of this Commitment shall constitute Borrower's unconditional agreement to pay all fees, commissions, costs, charges, taxes and other expenses incurred by the Bank in connection with this Commitment and the funding of the Loan, whether or not the Loan closes, including but not limited to appraisal fees, environmental audit fees, fees and charges for surveys, hazard insurance and bond premiums, mortgage taxes, transfer taxes and all recording fees and charges. In addition to the fees and other charges as set forth herein, Borrower's acceptance of this Commitment shall constitute an unconditional agreement to reimburse the Bank for the fee charged by the attorneys selected by the Bank for the review of the loan documents prepared or submitted by or at the direction of the Borrower's attorney. In addition thereto, Borrower, by executing this Commitment, is requesting the Bank to have the attorneys retained by the Bank prepare various loan documents, including but not by way of limitation, the promissory notes, mortgages and affidavits, together with any required assignments of rent, and agrees to reimburse the Bank for the attorney fees incurred in connection therewith, whether or not the loan closes.

**Survival of**

**Commitment:** The terms of this Commitment and any attachments survive the closing of the loan and the execution and delivery of the Loan Documents. In the event of any inconsistency or conflict between any provisions of this Commitment, any attachments, and other Loan Documents, the provisions of the other Loan Documents prevail and apply.

**Construction**

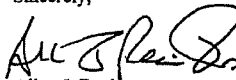
**Requirements:** If this Commitment has been issued in conjunction with a construction project, please refer to the attached Exhibit 1 – Construction Loan Requirements for additional mandatory provisions.

If you are in agreement with the terms outlined above please sign and return this letter, along with the required fees, to me within ten (10) days from the date hereof after which this Commitment shall be considered withdrawn and shall be of no further force and effect. A copy is enclosed for your file.

This Commitment is conditioned on the closing of the loan not later than 60 days from the date hereof, and the obligation of the Bank to close the loan terminates on that date. In no event shall the Bank be required to close the loan after such date, nor will the Bank be obligated to refund any fees paid pursuant to this Commitment.

Thank you for utilizing Glens Falls National Bank and Trust Company for your financing needs. Should you have any questions or comments, please feel free to contact your closing coordinator Stacey Robertson at 518-415-4421 or srobertson@arrowbank.com.

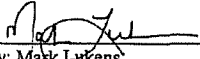
Sincerely,

  
Allen J. Racine  
Vice President

Commitment Letter  
Behavioral Health Services North, Inc.

AGREED AND ACCEPTED:

Borrower: Behavioral Health Services North, Inc.

  
By: Mark Lukens

Title: President and CEO

Date: 07/13/17

cc: William Owens, GFNB Counsel



### Exhibit 1 – Construction Loan Requirements

1. The Bank will provide up to 18 months of interest only during the construction phase of this project. At the end of this period, the loan balance will automatically convert to equal payments of principal and interest sufficient to retire the debt over the remaining amortization period of the loan.
2. A Builders' Risk Insurance Policy acceptable to the Bank will be required during the construction term.
3. Prior to the closing of the Loan, the Bank shall require, at the expense of the borrower, an engineer's/architect's/construction consultant's report based on their review of the project and all related contracts, schedule of values, and plans and specifications to confirm that the Borrower's projected budget is sufficient to complete the Project. The Bank shall, at the sole expense of the Borrower, have the Project inspected from time to time, at such intervals as may be acceptable to the Bank, by an architect, engineer, or construction consultant (hereinafter collectively referred to as "consultant") selected by the Bank in its sole discretion. All requests for advances will be reviewed and approved by such consultant at the Borrower's expense, and the borrower will cooperate fully with such consultant and provide the consultant with access to the real estate and the improvements thereon at all reasonable times. All fees, costs, and expenses shall be the sole responsibility of the borrower.
4. The Borrower shall furnish to the Bank a Certificate executed by the architect for the Project certifying to the Bank that the plans and specification for the construction of the Project are in compliance with all applicable building and zoning regulations, including all requirements of the Americans with Disabilities Act and the Fair Housing Act. The Certificate shall further state that the foundation prepared for the project meets the requirements set forth in the geotechnical report to be provided to the Bank as required herein.
5. Any proposed changes to the Construction Contract (Change Orders), prior to or during construction, must be approved by the Bank.
6. Loan advances shall be made in conjunction with a Building Loan Agreement. Each advance is subject to submission of ALA requisitions for payment, or other format acceptable to the Bank and the Bank's Inspecting Engineer, along with a satisfactory title run down and all appropriate waiver of liens forms.
7. Prior to loan funding, the Borrower must contribute or demonstrate the availability of all required equity relative to the project, in a form acceptable to the Bank.
8. In the event that the cost of construction is increased for any reason, so that it becomes evident to Lender that the funds of the Loan available to the Borrower, together with the Required Borrower Contribution, will not fully pay the cost of construction, then the Borrower, at the request of the Lender, shall advance sufficient additional sums of money to the construction account administered by Lender to provide for the full payment of the cost of construction. Equity funds from the Borrower or the Completion Guarantor may need to be contributed to the project ("Excess Construction Costs") in the event of increases in the project budget or cost overruns, if the total Hard Cost budget exceeds the original contract sum, or if increases occur to the individual line items within the Hard Cost budget so that insufficient funds are available in the Construction Loan to complete the project.
9. Prior to final disbursement, the construction project shall be completed in accordance with the plans and specifications, an unconditional Certificate of Occupancy and any other certificates, licenses, permits or approvals necessary to operate the borrower's business on the premises issued by the appropriate governmental or regulatory authority.
10. A Plot Plan Survey will be provided once the footings are poured or the foundation is in. A final As-Built survey will be provided once the project is completed.
11. A first security interest and assignment of all plans, approvals, permits, and contracts associated with the project.
12. Submission of the following construction related documents is required prior to closing:
  - ☒ Final Plans and Specifications – Two (2) complete sets of the plans including site plan or survey and specifications signed and sealed by the Architect. Any material deviation from the approved plans and

Borrower Initials: ML \_\_\_\_\_

specifications must be approved by the Bank in writing. (Architect)

- ☐ Soils Investigation Report – Subsurface investigation with Geotechnical Engineer's recommendations for the design of the foundations of the project. The Architect may perform this function if he/she can stipulate that they are familiar with the conditions and know the soil bearing capacity and have designed the footings in accordance with the soil bearing capacity. (Architect or Geotechnical Engineer)
- ☒ Construction budget – A complete line item budget breakdown in a standard format for all on and off site improvements. The Application and Certificate for payment submitted during the course of construction is to be in the AIA format or other format acceptable to the Bank. (Contractor)
- ☒ Construction schedule – The construction schedule should be presented to show total project and trade durations. (Contractor)
- ☒ Copy of the Building Permit for the project. (Contractor)
- ☒ A copy of the Architect or Engineer / Owner Contract, in the AIA format indicating fees, services, and responsibilities. (Architect or Engineer)
- ☒ General Contractor or Construction Manager acceptable to the Bank.
- ☒ A copy of the General Contract or Construction Manager Contract with the Owner in the AIA format indicating scope, duration, and terms of payment. (Contractor)
- ☐ Machinery and equipment proposal(s) listing all of the M & E required for the proposed project. The Closing Coordinator will handle the interim disbursements of the funds. (Equipment Vendor)
- ☐ Furniture & Fixture proposal(s) listing all items to be used in the proposed project. The Closing Coordinator will handle the interim disbursements of the funds. (Furniture & Fixture Vendors)
- ☒ All construction disbursements shall be subject to a 5% retainage pending completion of the project and Lender's satisfaction of all conditions met. (Borrower)
- ☐ Payment and Performance Bond – Prior to closing the Loan, the Bank shall be furnished a payment and performance bond guaranteeing completion of the improvements issued by a surety acceptable to the Bank containing a dual obligee rider. (Contractor)

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Borrower Initials: ML \_\_\_\_\_

SCHEDULE I

FORM OF THE BOND  
(FIXED RATE FORM)

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

CLINTON COUNTY CAPITAL RESOURCE CORPORATION  
TAX-EXEMPT REVENUE BOND  
(BEHAVIORAL HEALTH SERVICES NORTH, INC. PROJECT),  
SERIES 2017A

NO.: AR-1

PRINCIPAL AMOUNT: not to exceed  
\$3,140,000

DATED DATE: October 13, 2017

MATURITY DATE: April 1, 2039  
except as provided below

CLINTON COUNTY CAPITAL RESOURCE CORPORATION (the "Issuer"), a not-for-profit corporation organized and existing under the laws of the State of New York (the "State"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and as hereinafter provided, to GLENS FALLS NATIONAL BANK AND TRUST COMPANY, and its registered successors or assigns (the "Holder"), the principal sum of THREE MILLION ONE HUNDRED FORTY THOUSAND (\$3,140,000), or so much thereof as shall have been advanced under the Bond Purchase Agreement (as hereinafter defined), 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 date of the Initial Advance (as hereinafter defined) and each Further Advance (as hereinafter defined) until such Principal Balance is paid in full, as follows:

SECTION 1. DEFINITIONS. (A) Except as defined in subsection (B) hereof, all terms used herein with initial capitalization where the rules of grammar or context do not otherwise require and not otherwise defined herein shall have the meanings ascribed to such terms in the bond purchase and building loan agreement dated as of October 1, 2017 (the "Bond Purchase Agreement") by and among the Issuer, the Holder and Behavioral Health Services North, Inc., a New York not-for-profit corporation (the "Company"), as said bond purchase and building loan agreement may be amended or supplemented from time to time.

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

"Amortization Period Date" means a twenty (20) year period to begin at the end of the Interest Term.

“Bond Rate” means (A) prior to the occurrence of an Event of Taxability and prior to the Initial Adjustment Date, the Initial Tax-Exempt Rate, (B) prior to the occurrence of an Event of Taxability and after the Initial Adjustment Date and prior to the Subsequent Adjustment Date, the Subsequent Tax-Exempt Rate, (C) prior to the occurrence of an Event of Taxability and after the Subsequent Adjustment Date, the Subsequent Tax-Exempt Rate and (D) subsequent to the occurrence of an Event of Taxability, the Taxable Bond Rate; provided, however, that whenever any Event of Default shall have occurred, interest on the Bond shall accrue at the Default Bond Rate.

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

“Company” means Behavioral Health Services North, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Loan Agreement.

“Construction Period” means the period of time (A) beginning on the Closing Date and (B) ending eighteen (18) months after the Closing Date.

“Default Interest Rate” means a per annum rate of interest equal to sixteen percent (16%) however, that such interest rate shall in no event exceed the maximum interest rate which the Company may by law pay.

“Default Bond Rate” means a per annum rate of interest equal to sixteen percent (16%).

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

“FHLB NY Regular Fixed Advance Rate” shall mean a fixed rate of interest determined by the Holder to be the Regular Fixed Advance Rate offered by the Federal Home Loan Bank of New York for instruments having a term of five (5) years most recently available on the day which is two (2) Business Days immediately preceding the date for such determination, adjusted for the Holder’s reserve requirements (or if such yield is not available, a similar rate based upon a comparable index chosen by the Holder in its sole discretion).

“Further Advance” means the second and subsequent advances of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

“Initial Adjustment Date” means the fifth year anniversary of the Construction Period and every fifth year thereafter, on which date the Initial Tax-Exempt Fixed Rate will be adjusted to the Subsequent Tax-Exempt Rate.

“Initial Advance” means the first advance of Bond Proceeds made by the Holder under the Bond Purchase Agreement.

“Initial Tax-Exempt Rate” means a per annum rate of interest equal to 2.75%.

“Interest Term” means the Construction Period.

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

“Subsequent Adjustment Date” means the tenth (10<sup>th</sup>) or fifteenth (15<sup>th</sup>) year anniversary of the Construction Period, on which date the Initial Tax-Exempt Rate will be adjusted to the applicable Subsequent Tax-Exempt Rate.

“Subsequent Tax-Exempt Rate” means a fixed per annum rate of interest equal to two-thirds of 175 basis points over the FHLB NY Regular Fixed Advance Rate.

“Taxable Bond Rate” means a per annum rate of interest equal to 4.10% prior to the first Subsequent Adjustment Date and 175 basis points over the FHLB NY Regular Fixed Advance Rate as adjusted thereafter.

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

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

(2) All interest accruing hereunder shall be due and shall be payable, in arrears, on the first (1st) day of each month, commencing on the first day of the calendar month immediately following the calendar month in which the Closing Date occurs and continuing on the first day of each month thereafter until this Bond is paid in full. During the Interest Term, interest only on the advances made pursuant to the Bond Purchase Agreement shall be due and payable as aforesaid.

(3) Thereafter, commencing on the first day of the first month following the end of the Interest Term and on the first day of each calendar month thereafter until this Bond is paid in full, equal monthly payments of principal and interest payments shall be made in an amount sufficient to fully amortize at the Bond Rate the outstanding Principal Balance due on this Bond over a term ending on the Amortization Period Date. Upon any change in the Bond Rate and/or in the outstanding principal balance of this Bond, the Holder shall inform the Company of the change in the monthly payments to be due on this Bond, based upon either such change in the Bond Rate and/or upon such change in the outstanding principal balance of this Bond on such date. Such payments shall be applied first to the payment of unpaid interest due hereon and then to the payment of the unpaid Principal Balance of this Bond.

(4) Notwithstanding anything herein to the contrary, on the Maturity Date of this Bond, an amount equal to the entire unpaid Principal Balance of this Bond, together with any accrued but unpaid interest thereon, shall become due and payable on this Bond.

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

(C) In the event any payment related to this Bond or of principal or interest due on this Bond shall not be received by the Holder for a period of ten (10) days including and after the date when due, the Issuer shall pay the Holder a late payment charge in an amount equal to five percent (5%) of any such overdue payment.

(D) Payment of the principal of, premium, if any, and interest on this Bond shall be made at the office of the Issuer, currently located at the 190 Banker Road, Suite 500, Plattsburgh, New York 12901, or at such other place as may be agreed upon in advance by the Issuer, the Company and the Holder. So long as Glens Falls National Bank and Trust Company, shall be the sole holder of this Bond, such payments

shall be sent to Glens Falls National Bank and Trust Company at 250 Glen Street, Glens Falls, New York 12801, or at such other address as Glens Falls National Bank and Trust Company may designate to the Issuer and the Company in writing.

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

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

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

(H) As provided in the Bond Purchase Agreement, the actual obligation of the Issuer on account of the principal of this Bond shall be only such principal amount as is shown on the books of the Holder and noted hereon as having been advanced hereunder and not repaid. Upon any sale, assignment or transfer of this Bond, the Holder hereof shall make written notation of the actual principal balance of this Bond which is unpaid as of the date of such transfer. Upon ten (10) days prior written request, the Holder shall inform the Issuer or the Company as to the then current Principal Balance of this Bond.

SECTION 3. THE PROJECT. This Bond is issued pursuant to a bond resolution duly adopted by the members of the Issuer on August 14, 2017 (the "Bond Resolution") and the Bond Purchase Agreement for the purpose of undertaking a project (the "Project") consisting of following: (A) (1) the financing, in whole or in part, of the construction and equipping of an approximately 12,000 square foot addition (the "Addition") to the Company's existing approximately 22,000 square foot facility (the "Existing Facility" and, collectively with the Addition, the "Facility") located on an approximately 10 acre parcel of land (the "Land") located at 2155 Route 22B in the Town of Plattsburgh (Morrisonville), Clinton County, New York, (2) the refinancing of certain existing debt incurred by the Company in connection with the Land and the Existing Facility, and (3) the acquisition and installation therein and thereon of certain machinery, equipment and other personal property (the "Equipment") (the Land, Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company and operated as a mental health outpatient facility; (B) the financing of all or a portion of the costs of the foregoing by the issuance of this Bond; (C) paying a portion of the costs incidental to the issuance of the Bond, including issuance costs of the Bond and any reserve funds as may be necessary to secure the Bond.

SECTION 4. SECURITY; DOCUMENTS. (A) This Bond is secured by (1) the Mortgage, (2) the Mortgage Assignment, (3) the Pledge and Assignment, (4) the Assignment of Rents, (5) the Assignment of Rents Assignment, (6) the Guaranty, and (7) the other Financing Documents as defined in the Bond Purchase Agreement.

(B) This Bond is being purchased by the Holder pursuant to the terms of the Bond Purchase Agreement, which provides, among other things, that the Holder shall advance the proceeds of the sale of this Bond to pay certain Costs of the Project, but only upon the satisfaction of the requirements set forth in the Bond Purchase Agreement and the Loan Agreement for making such advances.

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

(D) Reference is hereby made to each of the Financing Documents and to all amendments and supplements thereto, copies of which are and will be on file at the office of the Holder currently located at 250 Glen Street, Glens Falls, New York 12801 for a description of the rights, duties and obligations of the Issuer, the Company and the Holder and the terms upon which this Bond is or may be secured. By acceptance of this Bond, the Holder hereof assents to all the provisions of the Financing Documents and to all amendments and supplements thereto made in accordance with the provisions thereof.

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

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

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

SECTION 6. WAIVER. (A) To the extent provided by law, the Issuer, and all endorsers hereof, and all others who may become liable for all or any part of the obligations evidenced hereby, hereby waive and renounce (1) any and all homestead and exemption rights, (2) the benefits of all valuation and appraisal privileges as against the indebtedness evidenced by this Bond and any renewal or extension thereof, (3) presentment for payment, demand, protest, notice of non-payment, demand and dishonor and all other notices and any and all lack of diligence or delays in collections or enforcement hereof and (4) the right to plead any and all statutes of limitations as a defense to any demand on this Bond or under the Mortgage.

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

(C) Failure to accelerate the indebtedness evidenced by this Bond by reason of default hereunder or under the Mortgage, or the acceptance of a past due installment of interest and/or principal hereunder, shall not be construed (1) as a novation of this Bond or as a waiver of such right of acceleration or of the right of the Holder hereof thereafter to insist upon strict compliance with the terms of this Bond

or (2) so as to prevent the exercise of such right of acceleration or any other right granted hereunder or under the Mortgage or by the laws of the State of New York. The Issuer hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of time for the payment of this Bond shall operate so as to release, discharge, modify, change or affect the original liability of the Issuer under this Bond, either in whole or in part, unless the Holder agrees otherwise in writing.

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

(B) NEITHER THE MEMBERS, DIRECTORS, OFFICERS, AGENTS (OTHER THAN THE COMPANY), SERVANTS OR EMPLOYEES OF THE ISSUER, NOR ANY PERSON EXECUTING THIS BOND ON BEHALF OF THE ISSUER, SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE OR DELIVERY HEREOF OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BASED HEREON. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND, THE MORTGAGE, THE LOAN AGREEMENT, THE BOND PURCHASE AGREEMENT OR THE OTHER FINANCING DOCUMENTS SHALL BE DEEMED TO BE THE COVENANT OR AGREEMENT OF ANY MEMBER, DIRECTOR, OFFICER, AGENT (OTHER THAN THE COMPANY), SERVANT OR EMPLOYEE OF THE ISSUER IN HIS INDIVIDUAL CAPACITY. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THIS BOND, OR FOR ANY CLAIM BASED HEREON OR ON THE BOND PURCHASE AGREEMENT, THE MORTGAGE, THE LOAN AGREEMENT OR THE OTHER FINANCING DOCUMENTS, AGAINST ANY MEMBER, DIRECTOR, OFFICER, AGENT (OTHER THAN THE COMPANY), SERVANT OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE ISSUER, OR OF ANY SUCCESSOR CORPORATION, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCH SUCCESSOR CORPORATION, WHETHER BY VIRTUE OF ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY OF SUCH MEMBERS, DIRECTORS, OFFICERS, AGENTS (OTHER THAN THE COMPANY), SERVANTS OR EMPLOYEES BEING WAIVED AND RELEASED, TO THE EXTENT PERMITTED BY LAW, AS A CONDITION OF, AND AS CONSIDERATION FOR, THE EXECUTION AND DELIVERY OF THIS BOND, THE MORTGAGE, THE LOAN AGREEMENT, THE BOND PURCHASE AGREEMENT AND THE OTHER FINANCING DOCUMENTS.

(C) THIS BOND IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, A DEBT OF THE STATE OF NEW YORK, CLINTON COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK, CLINTON COUNTY, NEW YORK SHALL BE LIABLE HEREON.

SECTION 8. TRANSFERENCE. (A) This Bond shall be transferable only upon the books of the Issuer maintained at the office of Glens Falls National Bank and Trust Company, as bond registrar (the "Bond Registrar") for the Issuer, currently located at 250 Glen Street, Glens Falls, New York, 12801 or at the office of any successor Bond Registrar, by the Holder in person or by its attorney duly authorized in writing, upon surrender of this Bond together with (1) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner of this Bond or by such duly authorized attorney, (2) the execution and delivery to the transferee of this Bond by such registered owner or by such duly authorized attorney of written instruments effecting the assignment and transfer of the Mortgage and the other Financing Documents to the transferee of this Bond, (3) except with respect to the transfer of the Bond to a Financial Institution, the delivery to the Issuer and the Company of an opinion of counsel



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

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

SECTION 9. PREPAYMENT. (A) The Bond may be prepaid at any time in whole or in part upon the direction of the Company at a prepayment price equal to one hundred percent (100%) of the principal amount so prepaid, plus accrued interest to the date of such prepayment, plus a prepayment premium, (1) equal to 2% of the original loan amount if paid during the Construction Period or during years one (1) and two (2) after the Construction Period, (2) equal to 1.5% of the original loan amount if paid within years three and four, (3) equal to 1% of the original loan amount if paid within years five and six; and (4) of none thereafter.

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

(C) This Bond shall also be subject to mandatory prepayment, in whole, at the option of the Holder, at a prepayment price equal to one hundred percent (100%) of the outstanding Principal Balance of the Bond, together with accrued interest to the date of prepayment, upon the occurrence of an Event of Taxability.

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

SECTION 10. COVENANT AGAINST USURY. Notwithstanding anything herein or in the Mortgage or in any related document to the contrary, it is not the intention of the Holder to charge nor shall there at any time be charged or become due and payable hereunder or under the Mortgage any interest which would result in a rate of interest being charged which is in excess of the maximum rate permitted to be charged by law. This Bond is subject to the express condition that at no time shall the Issuer be obligated or required to pay interest on the outstanding principal balance of this Bond at a rate which could subject the Holder to either civil or criminal liability as a result of being in excess of the maximum rate which the Issuer is permitted by law to contract or agree to pay. If, by the terms of this Bond, the Issuer is at any time required or obligated to pay interest on the outstanding Principal Balance of this Bond at a rate in excess of such maximum rate, the rate of interest under this Bond shall be deemed to be immediately reduced to such

maximum rate and interest payable hereunder shall be computed at such maximum rate, and the portion of all prior interest payments in excess of such maximum rate shall be applied and shall immediately upon discovery thereof, be deemed to have been a prepayment of principal (which prepayment shall be permitted, and be without premium or penalty) as of the date of such receipt, and all payments made thereafter shall be approximately reapplied to interest and principal to give effect to the maximum rate permitted by law and, after such reapplication, any excess payment shall be immediately refunded to the Company.

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

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

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

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

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

IN WITNESS WHEREOF, CLINTON COUNTY CAPITAL RESOURCE CORPORATION has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the dated date set forth above.

CLINTON COUNTY CAPITAL RESOURCE  
CORPORATION

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

-SEAL-

ATTEST:

\_\_\_\_\_  
(Assistant) Secretary

REGISTRATION

DATE OF REGISTRATION	REGISTERED IN WHOSE NAME	BOND REGISTRAR

[Form of Assignment for Transfer]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto (please insert name, address and social security or tax identification number of assignee: \_\_\_\_\_) the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

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

In the presence of:

\_\_\_\_\_

ADVANCES

<u>DATE OF ADVANCE</u>	<u>AMOUNT OF ADVANCE</u>	<u>TOTAL ADVANCES TO DATE</u>	<u>INITIALS OF PERSON MAKING NOTATION</u>
_____, 2017	\$ _____	\$ _____	_____
_____, 2017	\$ _____	\$ _____	_____
_____, 2017	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____
_____, 2018	\$ _____	\$ _____	_____

EXHIBIT A  
DESCRIPTION OF THE LAND

SCHEDULE A

ALL THAT CERTAIN PIECE OR PARCEL OF LAND, situate, lying and being in the Town of Plattsburgh, County of Clinton, and State of New York, shown and designated as Lot No. 1 on a survey map entitled "Map of St. Alexander's School, Subdivision 2001, Northerly side of Route 22B, Town of Plattsburgh, Clinton County, N.Y.", dated August 20, 2001, prepared by Scott Allen, Licensed Surveyor No. 49596, which map was filed in the office of the Clinton County Clerk on October 25, 2001 in Map Drawer known as # PL-B-201, which parcel is more particularly bounded and described as follows:

BEGINNING at a point, which point marks the southeast corner of lands now or formerly owned by Peter Kent by virtue of a Deed recorded in the office of the Clinton County Clerk in Liber 484 of Deeds at page 45 and which point is the southwest corner of the parcel herein described and traveling N 31° 22' 02" E a distance of 358.47 feet to a point;

THENCE turning and traveling S 68° 14' 18" E a distance of 410.26 feet to a point;

THENCE turning and traveling S 10° 46' 15" W a distance of 331.48 feet to a point in the northerly bounds of N.Y.S. Route 22B;

THENCE turning and traveling N 71° 59' 40" W a distance of 274.56 feet to a point;

THENCE turning and traveling N 70° 27' 40" W a distance of 259.50 feet to the point and place of beginning. Hereby intending to convey a parcel containing 3.698 acres of land, be the same more or less.



ALL THAT CERTAIN PIECE OR PARCEL OF LAND, situate, lying and being in the Town of Plattsburgh, Clinton County, New York, shown and designated as Lot No. 2 on a survey map entitled "Map of St. Alexander's School, Subdivision 2001, Northerly Side of Route 22B, Town of Plattsburgh, Clinton County, N.Y.", date August 20, 2001, prepared by Scott Allen, Licensed Surveyor No. 49596, which map was filed in the office of the Clinton County Clerk on October 25, 2001 in Map drawer as #PL-B-201, which parcel is more particularly bounded and described as follows:

BEGINNING at a point, which point marks the southeast corner of Lot 1 on the abovementioned survey map and traveling North 10° 46' 15" East a distance of 331.48 feet to a point;

THENCE TURNING AND TRAVELING North 68° 14' 18" West a distance of 410.26 feet to a point;

THENCE TURNING AND TRAVELING North 31° 22' 02" East a distance of 491.53 feet to a point;

THENCE TURNING AND TRAVELING South 73° 12' 17" East a distance of 374.88 feet to a point;

THENCE TURNING AND TRAVELING South 10° 19' 52" East a distance of 70.09 feet to a point;

THENCE TURNING AND TRAVELING South 09° 56' 04" East a distance of 629.91 feet to a point;

THENCE TURNING AND TRAVELING in the northerly bounds of the land now or formerly owned by Julie A. Quinn by virtue of deed recorded in the office of the Clinton County Clerk in Liber 879 of Deeds at Page 70; a distance of 21.00 feet to a found survey marker;

THENCE TURNING AND TRAVELING South 12° 23' 47" East a distance of 148.21 feet to a found survey marker in the northerly bounds of N.Y. S. Route 22B;

THENCE TURNING AND TRAVELING in the northerly bounds of N.Y.S. Route 22B, North 71° 59' 40" West a distance of 128.59 feet to a point and place of beginning.

HEREBY intending to convey Lot 2 on the abovementioned survey map, containing 6.448 acres of land, more or less.

TOGETHER WITH the grantor's right, title and interest, if any, in and to the land lying between the above described premises and the centerline of N.Y.S. Route 22B.

SUBJECT TO any easements of record, or any state of facts which a personal inspection of the premises herein described would disclose.

## EXHIBIT B

### DESCRIPTION OF THE EQUIPMENT

All articles of personal property and all appurtenances acquired with the proceeds of the Tax-Exempt Revenue Bond (Behavioral Health Services North, Inc. Project), Series 2017A in a principal amount not to exceed \$3,140,000 (the “Bond”) issued by Clinton County Capital Resource Corporation (the “Issuer”).

EXHIBIT C

FORM OF REQUEST FOR ADVANCE FOR THE BOND

To: Glens Falls National Bank and Trust Company  
250 Glen Street  
Glens Falls, New York 12801

Re: Clinton County Capital Resource Corporation  
Tax-Exempt Revenue Bond  
(Behavioral Health Services North, Inc. Project), Series 2017A  
in a principal amount not to exceed \$3,140,000

Advance Number: \_\_\_\_\_1\_\_\_\_\_

Date: \_\_\_\_\_October 13, 2017\_\_\_\_\_

Gentlemen:

You are hereby authorized and directed to make the following advance pursuant to that certain bond purchase and building loan agreement dated as of October 1, 2017 (the "Bond Purchase Agreement") by and among Clinton County Capital Resource Corporation (the "Issuer"), Glens Falls National Bank and Trust Company, as holder (the "Holder") of the above-captioned bond (the "Bond"), and Behavioral Health Services North, Inc. (the "Company"):

(A) The name(s) and address(es) of the person(s) to whom such advance is to be made, the amount to be paid to each and the description of purpose 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 Articles III and IV of the Bond Purchase Agreement have been satisfied or have been waived in writing by the Holder. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Bond Purchase Agreement;

(C) Pursuant to the Loan Agreement, the Bond Purchase Agreement, and the Tax Regulatory Agreement, each advance requested is for a proper expenditure of moneys advanced under the Bond;

(D) 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;

(E) 0% percent of the work on the construction of the Facility (as defined in the Loan Agreement) has been completed;

(F) No item(s) for which payment is requested has (have) been the basis for any prior advance (requests for advances of retainage amounts under any contract relating to the construction of the Facility shall not be deemed made for an item which has been the basis of a prior advance by virtue of requests for advance of amounts covering the cost of such construction, less the retainage amounts);

(G) As of the date of this Request for Advance, the representations and warranties made in Article II of the Bond Purchase Agreement are true and accurate, and there is no Event of Default under the

Bond Purchase Agreement, nor any event that, with the passage of time or the giving of notice or both, would ripen into an Event of Default;

(H) The Project Facility has not been materially injured or damaged by fire or other casualty;

(I) All sums due workmen and materialmen have been paid or will be paid from the proceeds of this advance;

(J) None of the items for which requisition is made constitutes (1) personal property (including, without limitation, fixtures and equipment) other than that listed on all accompanying schedules sufficient for identification purposes in connection with the filing of UCC-1 and/or UCC-3 financing statements or (2) materials stored off-site; and

(K) The payment of the amount requested hereby is consistent in all material respects with the Tax Regulatory Agreement.

BEHAVIORAL HEALTH SERVICES NORTH, INC.

BY:   
Authorized Officer

APPROVAL BY HOLDER'S INSPECTING ENGINEER  
(If the Holder has retained the services of a consulting  
engineer to act as Holder's Independent Inspector, then this  
signature block must be completed.)

The payment of the foregoing advance is hereby approved.

---

Holder's Inspecting Engineer

Requests for Advance for construction items must be accompanied by AIA form G-702 and G-703 as required by the Bond Purchase Agreement.

Request for Advance for non-construction items must be accompanied by bills, invoices or other proof to substantiate the amount requested.

## ADVANCES

# EXHIBIT D

## LIEN LAW SECTION 22 AFFIDAVIT

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

The undersigned, being duly sworn, does hereby depose and say:

1. I reside at 22 Morgan Dr., Peru, New York, and am the CEO of Behavioral Health Services North, Inc. (the "Company"), a not-for-profit corporation duly organized and existing under the laws of the State of New York.

2. The Company is a party named in the annexed Bond Purchase and Building Loan Agreement (the "Bond Purchase Agreement") and is the party actually receiving the proceeds of the loan described in the Bond Purchase Agreement. The Bond Purchase Agreement is intended to be filed in the office of the County Clerk of Clinton County, New York in accordance with Section 22 of the Lien Law of the State of New York. All capitalized terms used herein and not otherwise defined shall have the same meanings assigned thereto in the Bond Purchase Agreement.

3. The cost of the Land to be funded out of the proceeds of the Bond is \$0.00, the consideration paid for the loan described in the Bond Purchase Agreement is as set forth in item 3(a) below and all other expenses, if any, incurred or to be incurred in connection with the loan are as follows:

Architect's and/or Engineer's fees	9500
Taxes based on the purchase price or value of materials or equipment required to be installed or furnished in connection with the renovation and/or equipping of the Facility	-
Fair and reasonable sums paid for obtaining Building Loan and subsequent financing	-
Commitment fee for purchase of the Bond	7350
Appraisal and Independent Engineer's fees	3850
Issuer's administrative fee	22800
Legal fee and disbursements of Issuer's counsel and Bond Counsel	36000
Company's Counsel fee and disbursements	8000
Legal fee and disbursements of Holder's counsel	7000
Cost of title examination and UCC searches, mortgagee title insurance premiums and title continuation charges	10316.20
Cost of surveys	2109.50
Recording and filing fees	895

Payment and performance bond premiums	-
Taxes, assessments and water rents existing prior to the commencement of construction of the Facility	-
Taxes (including payments-in-lieu of taxes, assessment and water rents accruing during the construction of the Facility)	-
Interest due on the Bond during the construction period	106632
Insurance premiums accruing during the construction of the Facility	-
Soils and environmental testing	5234.73
Permit fee	4066
<b>TOTAL AMOUNT OF ABOVE ITEMS</b>	<b>\$219,727.43</b>

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 Company 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 of monies expended on said items does not exceed the total amount of said items shown above.

After payment of the above items, the net sum available to the Company for the remaining improvements (monies which will be available to the Company to pay for the cost of constructing and equipping the Facility) will be \$2,920,272.57.

All monies disbursed by the Holder to the Company under the Bond Purchase Agreement shall be subject to the trust fund provisions of Section 13 of the Lien Law. If an Event of Default occurs during the construction of the Facility, the Holder may transfer all or any portion of any monies, except for amounts retained for the payment of incurred but unpaid items qualifying as cost of the Project Facility and amounts sufficient to discharge any field mechanic's lien, to the Insurance and Condemnation Fund established under the Bond Purchase Agreement for application to redemption of the Bond in accordance with the Bond Purchase Agreement. IN THAT EVENT, SUCH MONIES WOULD NOT BE AVAILABLE TO THE COMPANY FOR THE FACILITY.

This affidavit is made pursuant to and in compliance with Section 22 of the Lien Law by the Company as an "owner" of the Building within the meaning of subdivision 3 of Section 2 of the Lien Law, as the party actually benefitted by the borrowing, and in its capacity as agent of the Issuer for the purposes of constructing and equipping the Facility pursuant to the terms of the Loan Agreement and the Bond Purchase Agreement.

The reason this affidavit is verified by Mark Lukens and not by the Company is that the Company is a corporation and that said deponent is CEO thereof.

4. Out of the loan, the Company, as agent of the Issuer, also will expend approximately \$1,622,853.79 to repay certain interim financing obtained by the Company and/or the Issuer to finance a portion of the Project Facility costs incurred to date. Therefore, the net sum available to the Issuer and the Company for the cost of the improvement is \$1,297,418.78, less such amounts as may become due or payable



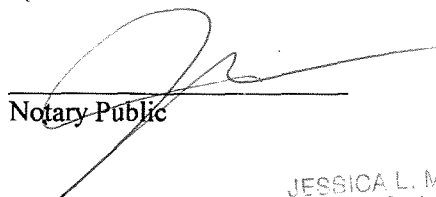
for insurance premiums, interest on building loan mortgages, taxes, assessments, water rents and sewer rents accruing during the making of the improvement.

5. This statement is rendered for the purposes of complying with Section 22 of the Lien Law of the State of New York.

6. The facts herein stated are true to the knowledge of the deponent.



Sworn to before me this  
11<sup>th</sup> day of October, 2017.

  
Notary Public

JESSICA L. MILLER  
Notary Public, State of New York  
No. 01RO6080133  
Qualified in Clinton County  
Commission Expires Sept. 9, 2018