
BOND PURCHASE AGREEMENT

by and among

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION,**

MEDAILLE COLLEGE,

and

MANUFACTURERS AND TRADERS TRUST COMPANY

Dated November 23, 2010

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BOND PURCHASE AGREEMENT

THIS BOND PURCHASE AGREEMENT, dated November 23, 2010, by and among **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation, duly organized, existing and in good standing under the laws of the State of New York, having an office for the transaction of business at 275 Oak Street, Buffalo, New York 14203 (together with its successors and permitted assigns, the "*Issuer*"), **MEDAILLE COLLEGE**, an education corporation, duly organized and existing under a charter approved by the Board of Regents of the University of the State of New York, having an office at 18 Agassiz Circle, Buffalo, New York 14214 (together with its successors and permitted assigns, the "*Institution*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized, existing and in good standing under the laws of the State of New York having an office at One Fountain Plaza, Buffalo, New York 14203-1495 (together with its successors and permitted assigns, "*Holder*").

WITNESSETH:

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "*State*"), and Resolution Nos. 218 and 295 of 2009 and Resolution 5-3 of 2010 of the Erie County Legislature, as amended to date and hereafter from time to time (hereinafter collectively called the "*Act*"), and pursuant to its Certificate of Incorporation filed on January 13, 1982, as amended (the "*Certificate*"), the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest and to issue its revenue bonds in furtherance of the foregoing; and

WHEREAS, the Act further authorizes the Issuer to issue the "Bonds" (as defined below) and to make loans for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such Bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from said loans to secure the payment of such Bonds and interest thereon; and

WHEREAS, pursuant to a certain resolution, duly adopted by the Issuer on November 8, 2010 (as the same may be amended or supplemented from time to time, the "*Bond Resolution*"), the Issuer, among other things, authorized the issuance and sale of the Issuer's Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010A in the aggregate principal amount of up to \$8,185,000 (the "*Series 2010A Bonds*") and the Issuer's Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010B in the aggregate principal amount of \$3,295,000 (the

"Series 2010B Bonds" and, collectively with the Series 2010A Bonds, the *"Bond"* or *"Bonds"*) for the benefit of the Institution, for the purpose of financing a project consisting of: (a)(i) the construction by the Institution of an approximately 17,088 square feet addition to and renovations of Huber Hall and an approximately 19,250 square feet addition to and renovations of Sullivan Campus Center, all located on the Institution's campus at 18 Agassiz Circle in the City of Buffalo, Erie County, New York (the *"Land"*), together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the *"Improvements"*); and (ii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the *"Equipment"* and, collectively with the Land and the Improvements, the *"Project Facility"*); and (b) to refund the outstanding \$4,245,000 original principal amount Erie County Industrial Development Agency Civic Facility Revenue Bonds (2000 Medaille College Project), Series 2000 (the *"2000 Bonds"*) (the *"Refunding"*), and together with the Project Facility, the *"Project"*); and

WHEREAS, the Bonds are being issued pursuant to, and subject to the terms, covenants and conditions of, this Bond Purchase Agreement; and

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

WHEREAS, the proceeds of the Bonds will be loaned by the Issuer to the Institution pursuant to a certain Loan Agreement, dated as of November 1, 2010, by and between the Issuer and the Institution (as the same may be amended, restated, supplemented or otherwise modified from time to time, the *"Loan Agreement"*); and

WHEREAS, as security for the repayment of the Bonds, the Issuer has, among other things, assigned all of its right, title and interest in and to the Loan Agreement and certain other documents to the Holder pursuant to a certain Pledge and Assignment, dated as of November 1, 2010, between the Issuer and the Holder, with an acknowledgment by the Institution (as the same may be amended, restated, supplemented or otherwise modified from time to time, the *"Pledge and Assignment"*); and

WHEREAS, to further secure the Bonds, the Company has executed a Security Agreement in favor of the Holder dated as of November 1, 2010 (the *"Security Agreement"*) and the Pledge and Assignment of Deposit Account from the Institution to the Holder dated November 23, 2010 (the *"Pledge and Assignment of Deposit Account"*, as each may be amended, restated, supplemented or otherwise modified from time to time);

WHEREAS, to further secure the Bonds and the obligations of the Institution with respect thereto, the Institution has given a Guaranty dated as of November 1, 2010 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the *"Institution Guaranty"*) to the Holder; and

WHEREAS, the undertaking of the Project is for a proper purpose, to wit: to relieve and reduce unemployment, to promote and provide for additional and maximum employment and to lessen the burdens of government; and

WHEREAS, the Holder, in consideration of, among other things, the express promises of the Institution set forth in Section 2.04 hereof, has agreed to purchase the Series 2010A Bonds in the maximum aggregate principal amount not to exceed the lesser of (i) \$8,185,000, or (ii) ninety percent (90%) of the Costs of the Project (as hereinafter defined) for the purpose of financing the acquisition, construction and equipping of the Project Facility and to purchase the Series 2010B Bonds in the principal amount of \$3,295,000 for the purpose of refunding the outstanding 2000 Bonds and paying certain issuance costs of the Bonds; and

WHEREAS, the Bonds shall be substantially on the terms set forth in the respective form of Bond attached to this Agreement as Exhibits A-1, A-2 and A-3; and

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

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions of Terms. All capitalized terms used in this Agreement and not otherwise defined shall have the meanings given respectively thereto in the Loan Agreement. The following words and terms as used in this Bond Purchase Agreement shall have the following meanings:

"1933 Act" means the Securities Act of 1933, as amended, and the regulations thereunder.

"2000 Bonds" has the meaning set forth in the Recitals to this Agreement.

"Act" has the meaning set forth in the Recitals to this Agreement.

"Additional Bonds" shall have the meaning as defined in Section 3.02 of this Agreement.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Assignment and Assumption" means an assignment and assumption entered into by the Holder and an assignee in substantially the form of Exhibit E or any other form approved by the Issuer.

“Authorized Investments” means (a) unsecured certificates of deposit, time deposits, federal funds or bankers’ acceptances issued by any depository institution or trust company incorporated under the laws of the United States or of any state thereof (including the Holder or an Affiliate of the Holder) and subject to supervision and examination by federal and/or state banking authorities, which investments are fully insured by the Federal Deposit Insurance Corporation or any other similar governmental deposit insurance program; (b) unsecured certificates of deposit, time deposits and bankers’ acceptances with maturities of not more than 365 days of any bank, the short-term obligations of which are rated in the highest short-term rating category by Standard & Poor’s Ratings Service; (c) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, whose investment assets are obligations which (i) constitute direct noncallable obligations of, or noncallable obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or (ii) are rated AAAm-G, AAAm or Aam by Standard & Poor’s Ratings Service; or (d) such other investment as the Holder shall approve in writing.

“Authorized Representative” means, in the case of the Issuer, the Chairman, the Vice Chairman, the Secretary, the Treasurer or any Assistant Secretary, any Assistant Treasurer or the President & Chief Executive Officer of the Issuer; in the case of the Institution, its President or Vice President – Business and Finance; and in the case of both, such additional persons as, at the time, are designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Holder, and to the Issuer or Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, Vice Chairman, Secretary or the President & Chief Executive Officer of the Issuer, or (ii) the Institution by its President or Vice President-Business and Finance.

“Bond” or ***“Bonds”*** has the meaning set forth in the Recitals to this Agreement.

“Bond Counsel” means the law firm of Hiscock & Barclay, LLP, or an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by States and their political subdivisions is nationally recognized.

“Bond Documents” means, collectively, this Bond Purchase Agreement, the Loan Agreement, the Bonds, the Pledge and Assignment, the Security Agreement, the Tax Compliance Agreement, the Institution Guaranty, the Environmental Compliance Agreement, the Pledge and Assignment of Deposit Account, all financing statements to be filed in the appropriate offices pursuant to the UCC and any other document now or hereafter executed by the Issuer, the Institution and/or any other Person in favor or for the benefit of the Holder which affects the rights of the Holder in or to the Project, in whole or in part, or which secures or guarantees any sum due on the Bonds or any of the other Bond Documents, each as amended, restated, supplemented or otherwise modified from time to time and all documents related thereto and executed in connection therewith.

“Bondholders” or ***“Owners”*** means the Holder.

“Bond Proceeds” means the sum of the face amount of the Bonds (or so much thereof as may be advanced) plus accrued interest, if any, less the sum of the original issue discount plus the underwriter’s or similar discount, if any.

“Bond Purchase Agreement” or *“Agreement”* means this Bond Purchase Agreement, dated November 23, 2010, by and among the Issuer, the Institution and the Holder, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Bond Resolution” has the meaning set forth in the Recitals to this Agreement.

“Certificate” has the meaning set forth in the Recitals to this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed regulations of the Department of Treasury promulgated thereunder.

“Closing Date” means the date of sale and delivery of the Bonds, being November 23, 2010.

“Collateral” shall mean any and all assets and rights and interests in or to property of the Institution, the Issuer and other Persons, whether real or personal, tangible or intangible, in which a Lien is granted or purported to be granted pursuant to the Collateral Documents.

“Collateral Documents” means all agreements, instruments and documents now or hereafter executed and delivered in connection with this Agreement pursuant to which Liens are granted or purported to be granted to the Holder in Collateral securing all or part of the Obligations each in form and substance satisfactory to the Holder, including, without limitation, the Pledge and Assignment and the Security Agreement.

“Commitment” means, as to the Holder, its obligation to make Committed Disbursements to the Institution pursuant to Section 4.01 in an aggregate principal amount at any one time outstanding not to exceed \$8,185,000 with respect to the Series 2010A Bonds and \$3,295,000 with respect to the Series 2010B Bonds.

“Committed Disbursement” has the meaning specified in Section 4.01.

“Committed Disbursement Notice” means a notice of a Committed Disbursement substantially in the form of Exhibit C.

“Completion Date” means November 30, 2012, being the date of substantial completion of the Project Facility.

“Control” (and its derivatives) means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, partnership interests or other equity interest, by contract or otherwise, including the power to elect a majority of the directors of a corporation or trustees of a trust, as the case may be. A Person shall be deemed to Control another Person if the Controlling Person owns five percent (5%) or more of any class of voting securities, partnership interests or other Equity Interests of the Controlled Person or possess, indirectly or directly, the power to

direct or cause the direction of the management or policies of the Controlled Person, whether through the ownership of voting securities, by contract or otherwise.

“Cost of the Project” means all those costs and items of expense incurred in connection with the Project Facility as approved by the Holder.

“Debt Service Coverage Ratio” means the quotient obtained by dividing (i) the sum of (A) the Institution’s change in Unrestricted Net Assets, *plus* (B) interest expense and letter of credit fees, (C) *plus or minus* all non-cash adjustments to Unrestricted Net Assets by (ii) the sum of current maturities on long-term Indebtedness and interest expense and letter of credit fees.

“Debtor Relief Laws” means the Bankruptcy Code of the United States and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time or both, would be an Event of Default.

“Draw Down Period” means with respect to the Series 2010A-1 Bond and the Series 2010B Bond, the Closing Date, for the Series 2010A-2 Bond, the period during which the Bond Proceeds may be drawn commencing on the Closing Date and ending May 24, 2011.

“Environmental Compliance and Indemnification Agreement” means the Environmental Compliance and Indemnification Agreement dated as of November 1, 2010 from the Institution to the Issuer and the Holder, as the same may be amended, modified or supplemented from time to time in accordance with its terms.

“Environmental Laws” shall have the meaning set forth in the Environmental Compliance and Indemnification Agreement.

“Equipment” has the meaning set forth in the Recitals to this Agreement.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

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

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Institution within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Institution or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Institution or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Institution or any ERISA Affiliate.

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

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that* (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Manufacturers and Traders Trust Company on such day on such transactions as determined by the Holder.

“Financing Commitment” means that certain Commitment Letter, dated July 28, 2010, of the Holder to the Institution.

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

“GAAP” means generally accepted accounting principles, consistently applied.

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

“Gross Revenues” means, for any period of time for which calculated, the total of all receipts, operating revenues and gains derived by the Institution during such period, determined

in accordance with GAAP, and also including interest earnings on all funds and accounts held by the Holder under the Bond Purchase Agreement. Gross Revenues shall not, however, include any gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due hereunder or not subject to pledge, and any income derived therefrom to the extent required by such designation or restriction.

“Guarantor” means any Person guaranteeing the payment or performance of the Institution’s Obligations hereunder or under the other Bond Documents.

“Hazardous Materials” or *“Hazardous Substance”* shall have the meaning ascribed to such term in the Environmental Compliance and Indemnification Agreement.

“Hedging Contracts” means interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements entered into between the Institution and the Holder and designed to protect the Institution against fluctuations in interest rates or currency exchange rates.

“Holder” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State, and its successors and assigns as the Holder.

“Holder’s Office” means the office or offices of the Holder described as such in the first paragraph of this Agreement or such other office or offices as the Holder may from time to time notify the Institution, the Issuer and any other Holder.

“Improvements” has the meaning set forth in the Recitals to this Agreement.

“Indebtedness” means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or for the deferred purchase price of property for which such Person or its assets is liable; (b) all outstanding amounts under a loan agreement, letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or other credit facility; (c) all amounts required to be paid by such Person as a guaranteed payment to partners, members (or other equity holders) or a preferred or special dividend, including any mandatory redemption of shares or interests; (d) all obligations under leases that constitute capital leases for which such Person is liable or as otherwise determined in accordance with GAAP; (e) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss; and (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above guaranteed directly or indirectly in any manner by such Person.

“Indemnified Liabilities” has the meaning specified in Section 7.11 of this Agreement.

“Indemnified Persons” has the meaning specified in Section 7.11 of this Agreement.

“Institution” shall have the meaning set forth in the Recitals to this Agreement.

“Institution Documents” means this Bond Purchase Agreement, the Loan Agreement, the Security Agreement, the Institution Guaranty, the Pledge and Assignment of Deposit Account, the Environmental Compliance and Indemnification Agreement, the Pledge and Assignment and any other document entered into by the Institution in connection with the issuance of the Bonds, each as may be amended, restated, supplemented or otherwise modified from time to time.

“Institution Guaranty” has the meaning set forth in the Recitals to this Agreement.

“Interest Payment Date” with respect to a series of Bonds has the meaning set forth in the Bond for such series.

“Issuer” has the meaning set forth in the Recitals to this Agreement.

“Issuer Documents” means the Bonds, this Bond Purchase Agreement, the Loan Agreement, the Pledge and Assignment and any other documents executed by the Issuer in connection with the issuance of the Bonds.

“Land” has the meaning set forth in the Recitals to this Agreement.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

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

“Loan Agreement” has the meaning set forth in the Recitals to this Agreement.

“Loan Party” means the Issuer or the Institution under this Agreement or any other Bond Document.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, assets, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Institution and/or its Subsidiaries; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Bond Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Bond Document to which it is a party.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs, including, but not limited to, attorneys’ fees, and taxes incurred in obtaining such gross proceeds.

“Obligations” means all unpaid principal of, and accrued and unpaid interest due on, the Bonds, and all other advances to, and debts, liabilities, obligations, interest, fees, charges, expenses, covenants, stipulations, promises, agreements, obligations and duties of, any Person arising under any Bond Document or otherwise with respect to any Committed Disbursements or Hedging Contract, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Person party to any Bond Documents or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“OFAC” has the meaning set forth in Section 2.03(p) of this Agreement.

“Outstanding” means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, each Bond which has been executed and delivered under this Agreement except (i) a Bond cancelled or delivered for cancellation at or prior to such date and (ii) a Bond deemed to be paid in accordance with Section 3.01 hereof.

“Outstanding Amount” means, with respect to Committed Disbursements on any date, the aggregate outstanding principal amount thereof after giving effect to Committed Disbursements occurring on such date.

“Owner” or ***“Bondholder”*** means a Holder.

“Participant” has the meaning specified in Section 7.12(c) of this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Institution or any ERISA Affiliate or to which the Institution or any ERISA Affiliate contributes or has an obligation to contribute or, in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five (5) plan years.

“Permitted Encumbrances” means (i) this Bond Purchase Agreement, (ii) the Security Agreement and the Pledge and Assignment of Deposit Account, (iii) Liens for taxes at the time not delinquent, (iv) purchase money mortgages, liens or encumbrances on existing or newly acquired equipment to the extent permitted under 2.04 of the Bond Purchase Agreement, (v) the lien of taxes and assessments which are delinquent but the validity of which is being diligently contested in good faith; (vi) minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held; (vii) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held; (viii) mortgages and security granted in favor of Wells Fargo Bank, N.A. as successor to Wachovia Bank, National Association, as Trustee in connection with the \$2,250,000 Erie County Industrial Development Agency Civic Facility Revenue Bonds, Series 2003A (Medaille College Project) and the \$16,910,000 Erie County Industrial Development Agency Civic Facility Revenue Bonds, Series 2003B (Medaille College Project) (collectively, the “2003 Bonds”); and (ix) liens in favor of the United States Trust Company of New York, as Trustee in connection with the \$4,245,000 Erie County Industrial Development Agency Civic Facility Revenue Bonds (2000 Medaille College Project) (collectively, the “2000 Bonds”), (subject to the terms and conditions of the Bond Documents).

“Person” means an individual, partnership, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

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

“Pledge and Assignment” has the meaning set forth in the Recitals to this Agreement.

“Pledge and Assignment of Deposit Account” means the Pledge and Assignment of Deposit Account dated November 23, 2010 from the Institution to the Holder.

“Pledged Collateral” shall mean the Collateral in which the Institution and/or the Issuer have given the Issuer or the Holder, as applicable, a security interest pursuant to the Collateral Documents.

“Project” has the meaning set forth in the Recitals to this Agreement.

“Project Facility” has the meaning set forth in the Recitals to this Agreement.

“Project Fund” means the fund so designated pursuant to Section 4.01 of this Bond Purchase Agreement.

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

“Qualified Costs” has the meaning given to such term in the Tax Compliance Agreement.

“Rebate Amount” has the meaning set forth in the Tax Compliance Agreement.

“Record Date” means the 15th day of each calendar month preceding an Interest Payment Date.

“Refunded Project” means the three-story, approximately 36,000 square feet 136-bed student dormitory and the furniture and equipment therein located at 18 Agassiz Circle, Buffalo, New York and financed with the 2000 Bonds.

“Register” has the meaning specified in Section 7.12(b)(v) of this Agreement.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and trustees of such Person and of such Person’s Affiliates.

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

“Returned Payment” shall have the meaning set forth in Section 7.16 of this Agreement.

“SEC” means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“Security Agreement” means that certain Security Agreement, dated as of November 1, 2010, by and between the Holder and the Institution, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“SEQRA” means the State Environmental Quality Review Act, as amended, and the regulations thereunder.

“Series 2010A Bonds” means collectively the Series 2010A-1 Bond and the Series 2010A-2 Bond.

“Series 2010A-1 Bond” means the Buffalo and Erie County Industrial Land Development Corporation Tax Exempt Revenue Bonds (Medaille College Project), Series 2010A-1 in the original aggregate principal amount of up to \$4,000,000.

“Series 2010A-2 Bonds” means the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010A-2 in the original aggregate principal amount of up to \$4,185,000

“Series 2010B Bond” means the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010B in the original aggregate principal amount of up to \$3,295,000.

“Series 2010 Bonds” shall mean the Series 2010A Bonds and the Series 2010B Bond.

“State” means the State of New York.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Institution.

“Supplemental Bond Purchase Agreement” means any supplement or amendment to this Bond Purchase Agreement entered into in connection with Additional Bonds.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated November 23, 2010, between the Issuer and the Institution, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“UCC” means the Uniform Commercial Code as adopted and in effect from time to time in the State, except when the provisions of the UCC as adopted in another jurisdiction are applicable due to the location of any collateral in such other jurisdiction.

“USA Patriot Act” has the meaning set forth in Section 2.03(p) of this Agreement.

“Unassigned Rights” has the meaning set forth in the Loan Agreement.

“Unrestricted Net Assets” means the unrestricted net assets of the Institution determined in accordance with GAAP with respect to any Fiscal Year for which audited financial statements are available, as shown on the audited financial statements for such Fiscal Year.

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

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Bond Purchase Agreement, unless the context indicates otherwise.

(d) The Table of Contents and headings of the several Sections herein are solely for convenience of reference and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Agreement.

(e) The use of the neuter gender shall include the masculine and feminine genders as well.

(f) All undefined terms contained in this Agreement shall, unless the context indicates otherwise, have the meanings provided for by the UCC to the extent the same are used or defined therein. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the Exhibits and Schedules hereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.

(g) The words, "including," "include" and "includes" shall be deemed to be followed by the words "without limitation."

(h) Without limitation and for the avoidance of doubt, in regard to use of the words "during the continuance of," "that is continuing" and the like in connection with "Event of Default" shall be deemed to be noncurable absent a waiver by the Holder.

(i) References to the Holder with respect to consent, waiver, approval or other action to be taken by the Holder shall, in the event there is more than one Holder, mean Holders of not less than fifty-one percent (51%) of the principal amount of Outstanding Bonds.

ARTICLE II

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

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

(a) The Issuer is a not-for-profit local development corporation under the laws of the State, duly organized and existing as such under the laws of the State;

(b) The Issuer has full power and authority to undertake the acquisition, construction, installation and equipping of the Project Facility, to issue and sell the Bonds to finance the Cost of the Project, to refund the outstanding 2000 Bonds and to pay the costs of issuance of the Bonds and capitalized interest thereon as provided in this Bond Purchase Agreement, to enter into, and to loan the proceeds of the Bonds to the Institution pursuant to, the Loan Agreement, and to enter into the Pledge and Assignment and any other documents or agreements for the purposes of securing the Bonds, and the Issuer has taken all actions and obtained all approvals required by the Act;

(c) The Issuer has duly adopted the Bond Resolution and has duly authorized the execution and delivery of each of the Issuer Documents, and the issuance and sale of the Bonds, and has taken all actions necessary or appropriate to carry out the same;

(d) There is no litigation or proceeding pending or, to the Issuer's knowledge, threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds or the Issuer Documents;

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

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

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

(a) The Issuer will not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge on any revenues derived or to be derived from the Project, unless otherwise authorized hereunder or under the Loan Agreement;

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

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

(d) The Issuer will, at the cost of the Institution, execute, acknowledge, when appropriate, and deliver from time to time at the request of the Holder such instruments and documents as in the reasonable opinion of the Holder are necessary or desirable to carry out the intent and purpose of the Bond Documents; and

(e) The Issuer will make no use of any of the Bond Proceeds or of any other moneys which, if such use had been reasonably expected on the date of issue thereof, would have caused the Bonds to be an "arbitrage bond" within the meaning of Section 103 of the Code.

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

(a) The Institution is an education corporation, duly organized and existing under a charter approved by the Board of Regents of the University of the State of New York, and has the full power and authority to enter into each of the Institution Documents and to carry out its obligations thereunder and by proper corporate action has been duly authorized to execute, deliver and perform its obligations under this Bond Purchase Agreement;

(b) The Institution is an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law, and (i) the Institution received a letter from the Internal Revenue Service dated February 25, 1970, to such effect, and such letter has not been modified, limited or revoked in whole or in part; (ii) the Institution is in compliance with all terms, conditions and limitations, if any, contained in such letter; (iii) the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue to exist, and no other material facts or circumstances have arisen which could affect the validity of such letter; (iv) the Institution is exempt from federal income taxes under Section 501(a) of the Code; (v) the Institution has not been audited by the Internal Revenue Service in any of the preceding five years; and (vi) the Institution has not undergone any material changes since February 25, 1970, which would adversely affect its tax-exempt status, and no such changes are contemplated.

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

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

(e) There has been no material adverse change in the business, properties or financial condition of the Institution from that shown on the financial statements, if any, submitted to the Holder;

(f) There is no litigation or proceeding pending or, to the Institution's knowledge, threatened against the Institution challenging the validity of any of the Institution Documents or seeking to enjoin the performance of the obligations of the Institution, the acquisition, installation or equipping of the Project Facility or the operation of the Project Facility or the Refunded Project or that would, if adversely determined, have a Material Adverse Effect;

(g) The Institution is at present not in default in any material respect under any indenture, mortgage, deed of trust, purchase loan or credit agreement to which the Institution is a party and there exists no condition, event or act which constitutes, or after notice or lapse of time or both would constitute, an event of default thereunder;

(h) The Institution will apply the proceeds from the sale of the Bonds which are loaned by the Issuer to the Institution pursuant to the Loan Agreement for the sole purpose of providing funds for paying the Cost of the Project in accordance with Article IV of this Bond Purchase Agreement, refunding the outstanding 2000 Bonds and paying the costs of issuance of the Bonds and capitalized interest thereon;

(i) All authorizations, certificates and permits necessary for the site preparation and the acquisition, installation and equipping of the Improvements in accordance with applicable building codes and Environmental Laws have been obtained and are in full force and effect, and all site preparation and construction work done to date has been done in accordance with said authorizations, certificates, permits, codes and laws and that the proposed or actual use of the Project Facility and the Refunded Project will comply with all applicable Laws, including Environmental Laws, and that there is no action or proceeding pending before any court, or Governmental Authority or administrative agency relating to the validity of this Bond Purchase Agreement or the transactions contemplated hereby;

(j) The Institution has or will have good, marketable and insurable subleasehold title to the Land free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except the Permitted Encumbrances. The Institution has good title to the Pledged Collateral, free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except the Permitted Encumbrances. The Loan Agreement, the Security Agreement and the Pledge and Assignment of Deposit Account create or will create a valid and prior lien or security interest in favor of the Holder, on behalf and for the benefit of the Holder, in the Pledged Collateral, subject to no other liens or encumbrances arising by, through or under the Institution or any other person, except for the Permitted Encumbrances;

(k) The Institution has good, marketable and insurable fee title to, or a valid leasehold interest in, its real properties in accordance with the laws of the jurisdiction where located, and good and marketable title to substantially all its other property and assets, subject, however, in the case of real property, to title defects and restrictions which do not materially interfere with the operations conducted thereon by the Institution. Each lease to which the Institution is a party is in full force and effect, no material default on the part of any party thereto exists, and, as to each of such leases to which the Institution is party as lessee, the Institution enjoys peaceful and undisturbed possession of the property affected thereby;

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

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

(n) The Institution does not have outstanding on the date hereof any Indebtedness, except (i) for such Indebtedness reflected on the financial statements which may previously have been delivered to the Holder, and (ii) Indebtedness in connection with the Bonds;

(o) The Institution has no Subsidiaries;

(p) The Institution is not (i) in violation of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq.*), as amended; (ii) on the Specially Designated Nationals and Blocked Person List maintained by the OFAC, Department of the Treasury, and/or any other similar lists maintained by Office of Foreign Assets Control (“OFAC”) pursuant to any authorizing statute, Executive Order or regulation; (iii) in violation of the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (“USA Patriot Act”); (iv) a Person designated under Section 1(b), (c) or (d) or Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders; or (v) to the best of its knowledge, engaging in any dealings or transactions, or is otherwise associated, with any of the foregoing blocked Persons; and

(q) The Institution hereby restates and incorporates herein by reference its representations and warranties set forth in the Loan Agreement, the Tax Compliance Agreement and the Institution Guaranty as if the same were fully set forth herein.

Section 2.04. Covenants of the Institution.

(a) The Institution covenants and agrees with the Issuer and the Holder that the Institution will: (i) acquire, install and equip the Project Facility on or before the Completion Date; and (ii) refund or cause to be refunded the outstanding 2000 Bonds.

(b) The Institution covenants that (i) advances received under the terms of this Bond Purchase Agreement and the Loan Agreement and the right to receive such advances for the purpose of paying the Cost of the Project will be held as a trust fund to be applied, with respect to the Series 2010A Bond proceeds, for the purpose of paying the cost of acquiring, constructing and equipping the Project Facility, and (ii) such advances will be applied to the payment of the cost of acquiring, installing and equipping the Project Facility on the Land described in Exhibit A attached hereto, it being intended by this covenant to subject all payments received hereunder to the trust fund provisions of Section 13 of the Lien Law. The Series 2010B Bond proceeds shall be used to refund the outstanding 2000 Bonds.

(c) The Institution will furnish to the Holder for its review and approval before the Closing Date, and shall maintain at all times while the Bonds remain Outstanding, insurance on the Project Facility and the Refunded Project from duly licensed and responsible insurers acceptable to the Holder in its sole discretion in accordance with the Loan Agreement.

(d) The Institution shall cause all financial statements furnished in accordance with Section 20 of the Loan Agreement to be certified to the Holder to be true and correct by the chief executive and chief financial officers of the Institution.

(e) The Institution will execute, acknowledge, when appropriate, and deliver from time to time at the request of the Holder such instruments and documents as in the opinion of the Holder are necessary or desirable to carry out the intent and purpose of this Agreement.

(f) So long as any Bonds shall remain Outstanding, the Institution shall, and shall cause each Subsidiary, to:

(i) Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (1) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Institution or such Subsidiary; (2) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (3) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness;

(ii) (1) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization, except as otherwise consented to by the Holder in its sole discretion; (2) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (3) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect;

(iii) (1) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (2) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (3) use the standard of care typical in the industry in the operation and maintenance of its facilities;

(iv) Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (1) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (2) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect;

(v) (1) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP shall be made of all financial

transactions and matters involving the assets and business of the Institution or such Subsidiary, as the case may be; and (2) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Institution or such Subsidiary, as the case may be. The Institution shall maintain at all times books and records pertaining to the Collateral in such detail, form and scope as the Holder shall reasonably require;

(vi) Permit representatives and independent contractors of the Holder or the Issuer to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Institution and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Institution, *provided, however*, that when an Event of Default exists, the Holder (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Institution at any time and without advance notice;

(vii) Promptly notify the Issuer and the Holder of (1) the occurrence of any Default, (2) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (x) breach or non-performance of, or any material default under, a contractual obligation of the Institution or any Subsidiary; (y) any material dispute, litigation, investigation, proceeding or suspension between the Institution or any Subsidiary and any Governmental Authority; or (z) the commencement of, or any material development in, any litigation or proceeding affecting the Institution or any Subsidiary, including pursuant to any applicable Environmental Laws; (3) the occurrence of any ERISA Event, and (4) any material change in accounting policies or financial reporting practices by the Institution or any Subsidiary; and

(g) Maintain its tax-exempt status pursuant to Section 501(c)(3) of the Code, not perform any act or enter into any agreement that may cause any revocation or adverse modification of the tax-exempt status of the Institution pursuant to Section 501(c)(3) of the Code, or carry on or permit to be carried on in or at the Property of the Institution, or permit the use of the Institution's Property for any trade or business, the conduct of which is not substantially related to the exercise or performance by the Institution of the purposes or functions constituting the basis for the Institution's exempt status under Section 501(c)(3) of the Code if such carrying on or use may result in the loss of such exempt status.

(h) So long as any of the Bonds shall remain Outstanding, the Institution shall not, nor shall it permit any Subsidiary to, directly or indirectly:

(i) Create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness;

(ii) Directly or indirectly guarantee the Indebtedness or obligation of any other Person;

(iii) Create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon any of its assets or properties, including the Collateral, now owned or hereafter acquired, nor acquire nor agree to acquire any kind of property subject to a Lien excepting, however, Permitted Encumbrances;

(iv) Sell, convey, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily, any of its properties or assets, whether tangible or intangible, real or personal without the prior written consent of the Holder, excepting therefrom that certain Institution Lease dated as of April 1, 2003 between the Institution and the Erie County Industrial Development Agency, and the abandonment or disposal of obsolete assets in the ordinary course of business consistent with the Institution's past practices;

(v) Engage in any business operation other than the business it is engaged in on the date hereof;

(vi) At any time permit any Plan of the Institution to (a) engage in any "prohibited transaction" as such term is defined in Section 4975 of the Code, (b) incur any "accumulated funding deficiency" as such term is defined in Section 302 of ERISA, whether or not waived, or (c) be terminated in a manner which could result in the imposition of alien on the property of the Institution pursuant to Section 4068 of ERISA;

(vii) Merge with or consolidate into any other Person or permit any Person to consolidate with or merge into the Institution unless the Institution is the surviving entity, or acquire all or a substantial part of the assets, capital stock or membership interests of any other Person or permit any Person to acquire all or a substantial part of the assets or capital stock of the Institution;

(viii) Make loans or advances to any Person, except in its capacity as trustee or manager of any pension, profit sharing or retirement plan for its employees, except for loans or advances to employees in the ordinary course of the Institution's business;

(ix) Purchase, acquire or own any stock, bonds, notes, or securities of, or any partnership interest (whether general or limited) in, or any other interest in, or make any capital contribution to, any other Person, or become a joint venture partner in any joint venture, or agree, become or remain liable to do any of the foregoing;

(x) Enter into or carry out any material transaction (including, without limitation, purchasing property or services or selling property or services) with an Affiliate unless such transaction (i) is not otherwise prohibited by this Agreement or any of the other Bond Documents, (ii) is entered into in the ordinary course of the Institution's business and upon fair and reasonable arm's-length terms and conditions which are fully disclosed to the Holder beforehand, and (iii) is in accordance with all applicable Laws;

(xi) Without twenty (20) days prior written notice to the Holder, amend the Institution's Charter, By-laws or other organizational document of the Institution and if, in the judgment of the Holder, such amendment would be adverse to the Holder, obtaining the Holder's prior written consent; and

(xii) Make any capital expenditures (including capitalized leases) in excess of \$2,500,000 in any Fiscal Year without first obtaining the Holder's prior written consent, except that the foregoing shall not apply to capital expenditures with respect to the Project or capital expenditures wholly funded by grants or restricted gifts made for the purpose of funding such capital expenditures;

(i) Maintain accreditation by The Middlestates Commission on Higher Education or its successor;

(j) The Institution shall maintain the following financial covenants measured annually as of the last day of each Fiscal Year commencing with the Fiscal Year ending June 30, 2011, using the Institution's audited annual financial statements for each such Fiscal Year:

(i) A Debt Service Coverage Ratio of not less than 1.25 to 1.0;

(ii) A ratio of funded Indebtedness to Unrestricted Net Assets of not greater than 2.50 to 1.0;

(iii) Unrestricted cash and investments equal to not less than sixty (60) days' operating cash requirements (annual cash operating expenses divided by 365) x 60); and

(iv) A ratio of total funded Indebtedness to earnings before interest, depreciation and amortization of not greater than 6.0 to 1.0;

(k) The Institution shall maintain its primary operating accounts with the Holder at all times;

(l) The Holder may, in its sole discretion, and the Institution authorizes the Holder to, debit at any time or times, any account maintained by the Institution with the Holder, for the amount of any payment, as and when such payment becomes due under the Bonds, whether such payment is for accrued interest, principal, any Prepayment Premium or any other amounts payable under the Loan Agreement; and

(m) The Institution hereby restates and incorporates herein by reference its covenants set forth in the Loan Agreement and the Institution Guaranty as if the same were fully set forth herein.

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

(a) The Holder has had an opportunity to make such investigations and has had access to such information with respect to the Institution and its affairs and condition,

financial and otherwise, which the Holder has deemed necessary in connection with and as a basis for the purchase of the Bonds, and any and all information relating to the Institution and its affairs which the Holder has requested has been provided to the Holder.

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

(c) The Holder is purchasing the Bonds (i) for its own account, for the purpose of investment and not with a present view to the distribution or resale thereof, and (ii) not for the account of others. The Holder has not offered, offered to sell, offered for sale or sold the Bonds by means of any form of general solicitation or general advertising and will not sell the Bonds without registration under the applicable federal and state securities laws or an exemption therefrom. The Holder presently has no arrangement, written or oral, with any Person for the distribution, transfer or resale of the Bonds. The Holder agrees to notify the Issuer and the Institution at least thirty (30) days in advance in writing of any proposed transfer or resale of the Bonds or any portion thereof and to furnish to them prior to any such transfer or resale (i) an opinion of Bond Counsel that such transfer or resale does not and will not require registration of the Bonds under any applicable federal and state securities laws, and (ii) a certificate of the purchaser of the Bonds to the effect that such purchaser has been provided with all requested disclosure information by the Institution. In the event such transfer is at the request of the Institution, the Institution shall pay all expenses incurred by the Holder, including, but not limited to, reasonable legal fees, in connection with such transfer or resale and the cost of obtaining the opinion of Bond Counsel referred to above. If the proposed transfer of the Bonds is other than at the request of the Institution, the Holder will bear such costs and expenses.

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

(e) The Holder has not requested or received from the Issuer any information which it, as a reasonable investor, deems important in reaching its investment decision to purchase the Bonds. It has received from the Institution and not the Issuer whatever information requested with respect to the Institution and the Project which it deems as a reasonable investor important in reaching its investment decision to purchase the Bonds. 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 Institution and that the Issuer, its counsel and Bond Counsel do not make any representations to the Holder with respect to the adequacy, sufficiency or accuracy of any financial statements and information or other information provided to the Holder or with respect to the ability of the Institution to pay the Bonds or fulfill its obligations with respect to the transactions contemplated in connection therewith. The Holder is not relying on any statements or representations by the Issuer with

respect to (i) the financial condition of the Institution, (ii) the creditworthiness of the Institution, (iii) the competency or integrity of the management of the Institution, or (iv) the suitability of the Project for the Institution's business. The Holder has made an independent evaluation of the facts listed above without reliance upon any evaluation or investigation by the Issuer, its counsel or Bond Counsel as to any of them, except to the extent such facts are specifically opined upon by the Issuer's counsel or Bond Counsel in their respective opinion letters to be delivered to the Holder on the Closing Date.

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

(g) The Holder acknowledges that neither the Issuer nor the Institution has prepared an offering document with respect to the Bonds.

(h) The Holder understands that the Bonds have not been registered under the 1933 Act or any state securities laws.

(i) The Holder is an "accredited investor" as defined in Rule 501 of Regulation D of the 1933 Act and is duly and validly organized under the laws of its jurisdiction of incorporation or organization. The Holder can bear the economic risk of the purchase of the Bonds and has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the information and review described in paragraph (e).

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

(k) The Holder has read the Bond Documents in their entirety and understands the risks associated with an investment in the Bonds.

(l) The Holder acknowledges that no credit rating or credit enhancement has been sought or obtained with respect to the Bonds, and it acknowledges that the Bonds are a speculative investment and that there is a high degree of risk in such investment.

ARTICLE III

CLOSING AND PURCHASE AND SALE OF BOND

Section 3.01. Issuance of the Bonds. There are hereby authorized to be issued from time to time Bonds and Additional Bonds of the Issuer to be designated generally as "Revenue Bonds (Medaille College Project)." The Bonds shall be special obligations of the Issuer payable solely from loan payments received by the Issuer and other Collateral pledged therefor. The Bonds and Additional Bonds may be issued in one or more Series, and the designation thereof, in

addition to the name "Revenue Bonds (Medaille College Project)," shall include such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs. All Bonds shall be dated the date of delivery, shall bear interest from the date of delivery, shall be issued in the form of fully registered Bonds without coupons having installments of principal and interest due at the times, bearing interest at the rates set forth hereinabove and being substantially the Form of Bond set forth in Exhibits A-1, A-2 and A-3. The Bonds shall be payable at the places and in the manner set forth in said Forms of Bonds. Additional Bonds shall be on such terms and in such form as shall be authorized by the Issuer in a resolution approving the issuance and sale thereof and approved by the Holder pursuant to Section 3.02 hereof. The Bonds will be signed on behalf of the Issuer with the manual or facsimile signature of the Authorized Representative. The Person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date, notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date. Any Bonds issued in exchange for Bonds of the same series surrendered for transfer or exchange or in place of mutilated, lost, stolen, destroyed or undelivered Bonds of the same series will bear interest from the last date to which interest has been paid on the Bonds being transferred, exchanged or replaced or, if no interest has been paid, as of the dated date of the Bonds. Bonds within each series will be numbered consecutively upwards. The Issuer hereby appoints the Institution as Registrar. The Institution shall keep a Bond Register of the Bonds in which shall be maintained the names and addresses of all Holders thereof, the numbers and amounts of each Bond and other information appropriate to the discharge of its duties hereunder. For purposes of determining whether a Holder holds a certain percentage or amount of aggregate principal amount of Bonds Outstanding for the purposes of this Agreement, ownership by Holders which are Affiliates shall be aggregated. The Issuer and the Institution shall be entitled to rely upon a certificate of any two or more Holders with respect to their status as Affiliates.

The person in whose name a Bond is registered in the Bond Register shall be treated as the Holder thereof for all purposes, including the receipt of principal of, and premium, if any, and interest on such Bond.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER SAID ACT OR EXEMPTION THEREFROM. ANY SALE, TRANSFER OR DISPOSITION OF A BOND SHALL COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THE APPLICABLE BOND.

If any Bond is mutilated, lost, stolen or destroyed, the Issuer will execute a new Bond of the same denomination and the same Series if any mutilated Bond shall first be surrendered to the Issuer, and if, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer evidence of such loss, theft or destruction, together with an indemnity, reasonably satisfactory to it. If the Bond has matured, instead of issuing a duplicate Bond, the Issuer may pay the Bond without requiring surrender of the Bond and make such requirements as the Issuer

deems fit for its protection, including a lost instrument bond. The Issuer may charge the Holder its reasonable fees and expenses in this connection.

3.02 Closing Date. On November 23, 2010, or on such other date as the Issuer, the Holder and the Institution may mutually agree upon, the Holder agrees, subject to the conditions and provisions herein, to purchase from the Issuer (a) the Series 2010A-1 Bond in the aggregate principal amount of \$4,000,000; (b) the Series 2010A-2 Bond in the aggregate principal amount not to exceed the lesser of (y) \$4,185,000 or (z) ninety percent (90%) of the Costs of the Project less \$4,000,000, payable by advances of the purchase price from time to time; and (c) the Series 2010B Bonds in the aggregate principal amount of \$3,295,000, (i) upon receipt of the Bonds in such aggregate principal amount, and (ii) subject to the terms and conditions of this Bond Purchase Agreement. Additional Bonds may be issued and purchased from time to time, with consent of the Holder on a pari passu basis with the Bonds (the "*Additional Bonds*"). Each series of Additional Bonds shall be issued only for the purpose provided in a Supplemental Bond Purchase Agreement executed in connection therewith.

Advances of the purchase price of the Series 2010A-1 Bonds issued hereunder shall be fully drawn and the purchase price thereof paid on the Closing Date, and the principal of, interest and Prepayment Premium (as defined therein), if any, shall be paid in accordance with and subject to the terms of the Series 2010A-1 Bond. The Series 2010A-2 Bond issued hereunder is a draw down bond, and the principal thereon shall be only such amount as has been drawn down. The Holder shall make advances of the purchase price of the Series 2010A-2 Bond to the Issuer in payment for the purchase price of the Series 2010A-2 Bonds in accordance with and subject to the terms of this Bond Purchase Agreement.

Advances of the purchase price of the Series 2010B Bonds issued hereunder shall be fully drawn and the purchase price thereof paid on the Closing Date, and the principal of, interest and Prepayment Premium (as defined therein), if any, shall be paid in accordance with and subject to the terms of the Series 2010B Bond. The Series 2010B Bond issued hereunder is a draw down bond, and the principal thereon shall be only such amount as has been drawn down. The Holder shall make advances of the purchase price of the Series 2010B Bond to the Issuer in payment for the purchase price of the Series 2010B Bonds in accordance with and subject to the terms of this Bond Purchase Agreement.

Section 3.03. Conditions Precedent to Closing. The obligation of the Issuer to issue the Bonds and of the Holder to purchase the Bonds as contemplated by this Bond Purchase Agreement and to make advances hereunder shall be subject to receipt by the Issuer and the Holder of all documents, fees and assurances required by the Financing Commitment and the receipt by the Issuer and the Holder of each of the following in form and substance reasonably satisfactory to the Issuer, the Holder and their respective counsel and Bond Counsel:

- (a) The original, executed Bonds and executed originals of all of the other Bond Documents;
- (b) Evidence satisfactory to the Holder and its counsel as to:
 - (i) the valid corporate existence of the Issuer and the Institution;

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

(iii) the compliance of the Project Facility and the Refunded Project with all applicable Laws of the Governmental Authorities having jurisdiction over the Project Facility or the Refunded Project, and as of the closing date, no outstanding violations of any Laws with respect to any portion of the Project Facility or the Refunded Project, which evidence shall include, if required by applicable law, such permits and approvals as may be required by any Governmental Authority for the use and occupancy of the Project Facility or the Refunded Project; and

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

(c) A certified copy of the Bond Resolution;

(d) A Board Resolution or other evidence of all appropriate action to authorize the execution, delivery and performance by the Institution of the Bond Documents to which it is a party, in form and substance satisfactory to the Holder and its counsel, and the execution and delivery of all documents by the Institution's Authorized Representative, together with the Institution's general certificate with certified true copies of the Institution's (a) Charter, (b) By-laws, and (c) currently dated Certificate of Good Standing from the State of New York Education Department;

(e) An opinion of counsel to the Issuer as to the valid corporate existence of the Issuer, the due authorization, execution and delivery by the Issuer of the Bonds and the other Issuer Documents, the absence of material litigation involving the Issuer and such other matters as the Holder and its counsel or Bond Counsel may require;

(f) An opinion or opinions of counsel to the Institution as to the valid corporate existence of the Institution, the due authorization, execution and delivery by the Institution of the Institution Documents, the absence of material litigation involving the Institution or the Project and such other matters as the Holder and its counsel or Bond Counsel may reasonably require;

(g) An opinion of Bond Counsel as to the due existence and authority of the Issuer, the valid issuance of the Bonds under the Bond Resolution and that interest on such Bonds are exempt from federal income taxation and from income tax imposed by the State and each political subdivision;

(h) Certificates for insurance providing coverage required by the Loan Agreement;

(i) Judgment and lien searches in all counties in which the Institution is located;

(j) Docket search in all counties in which the Institution is located and in the United States District Court for the Western District of New York;

(k) UCC-1 search in all counties in which the Institution is located and with the Secretary of State of New York; and

(l) Payment of any fees due and payable on the Closing Date pursuant to the Financing Commitment, together with all reasonable fees and actual expenses incurred or payable by the Issuer or the Holder (including, without limitation, reasonable fees and actual expenses of counsel for the Holder) arising in connection with the negotiation, preparation and execution of this Agreement and the other Bond Documents and all other instruments and documents to be delivered hereunder or thereunder or arising in connection with the transactions contemplated hereunder or thereunder.

Section 3.04. Hedging Contracts. The Institution may fix the interest rate on all or part of the Bonds with a Hedging Contract either prior to the Closing Date (“forward starting swap”) or on the Closing Date. The Institution may enter into any forward starting swap or any swap during the Draw Down Period only upon such further terms and conditions as the Holder may require, including, without limitation, an acceptable schedule of draws during the Draw Down Period. A default or an event of default under any Hedging Contracts shall constitute an Event of Default under this Agreement and under any other loans and credit facilities made by the Holder to the Institution.

ARTICLE IV

BOND PROCEEDS AND APPLICATION THEREOF

Section 4.01. Project Fund; Advances of Purchase Price and Disbursement of Series 2010A Bonds Proceeds.

(a) The Holder shall establish a Project Fund for the payment of Costs of the Project. The Project Fund shall consist of the Net Proceeds of the Series 2010A Bonds deposited therein and shall contain any other amounts the Institution or the Holder may cause to be deposited therein pursuant to Section 5 or 25 of the Loan Agreement or Section 4.02 hereof. The amounts in the Project Fund shall be held for the security of the Bonds Outstanding and may be invested at the direction of the Institution in Authorized Investments.

To the extent that any proceeds of the Series 2010A Bonds remain unexpended in the Project Fund after the Completion Date, the Holder shall (i) retain in the Project Fund such amount as the Institution shall specify in a certificate certified by an Authorized Representative of the Institution to be necessary to pay additional Qualified Costs of the Project not otherwise provided for; and (ii) apply excess funds in the Project Fund to the redemption of the Series 2010A Bonds as provided in the forms of Bond attached hereto.

Upon the acceleration of the principal of all Bonds Outstanding pursuant to Section 6.02 hereof, the Holder shall immediately transfer all amounts in the Project Fund, including the accounts therein, to payment of the Bonds in accordance with Section 6.02 hereof. In addition, the Institution shall have no right to obtain any disbursements from the Project Fund

if an Event of Default, or an event or condition which, with notice or passage of time or both, would constitute an Event of Default hereunder, has occurred and is continuing. In the event the acceleration of the Bonds is annulled pursuant to Section 6.02(b) hereof, the Holder shall transfer back to the Project Fund any amounts remaining from the moneys transferred from such Project Fund upon such annulment.

(b) Subject to the terms and conditions set forth herein, the Holder agrees to advance the purchase price of the Bonds and make disbursements thereof (each such disbursement, a "*Committed Disbursement*") to the Institution as agent of the Issuer from time to time on any Business Day during the Draw Down Period, in an aggregate amount not to exceed at any time \$8,185,000 with respect to the Series 2010A Bonds and \$3,295,000 with respect to the Series 2010B Bonds. A disbursement hereunder shall not be deemed to be an approval by the Holder of any work or labor performed with respect to the Project Facility, or approval or acceptance by the Holder as to the fitness of such work or materials.

Each Committed Disbursement shall be made upon the Institution's irrevocable notice to the Holder as required pursuant to Section 4.01(d)(1) of this Agreement. The Holder shall make the amount of its Committed Disbursement available to the Institution in immediately available funds not later than 1:00 p.m. on the Business Day specified in the applicable Committed Disbursement Notice upon satisfaction of the applicable conditions set forth in Section 4.01(d) (and, if such disbursement is the initial Committed Disbursement, Section 3.03).

(c) Subject to compliance by the Issuer and the Institution with the terms and conditions of this Bond Purchase Agreement, the Holder covenants and agrees that the proceeds of the Series 2010A Bonds shall be deposited in the Project Fund and advanced from time to time for the purpose of acquiring, constructing and equipping the Project Facility and to pay certain costs and expenses associated with the issuance of the Bonds. The Bond Proceeds shall be advanced by payment by the Holder of the amount of Bond Proceeds requisitioned by the Institution, as agent for the Issuer, to the Institution, upon the Holder being furnished with the following:

(1) Committed Disbursement Notice received by the Holder not later than 11:00 a.m. at least ten (10) days prior to the date the disbursement is sought, but in no event more frequently than once every thirty (30) days (*provided, however*, that the Holder on the Closing Date may advance Bond Proceeds for disbursements, based on any requisition received on or before the Closing Date and otherwise complying with this Section 4.01), certified to by the Authorized Representative of the Institution in form and substance satisfactory to the Holder, stating: (A) the name of the Person to whom payment is to be made if other than to the Institution; (B) the amount of the payment; (C) that the disbursement is for a proper expenditure of Bond Proceeds under this Agreement, the Loan Agreement and the Tax Compliance Agreement; (D) the classification and the nature and purpose of the expenditure; (E) that there are no vendor's, mechanic's or other liens, bailment leases, conditional sale contracts, security interests or laborer's liens which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment; (F) that none of the items for which the requisition is made has been the basis for any prior disbursement of Bond Proceeds; (G) that all Persons furnishing materials to, or performing work on,

the Project Facility have been paid or will be fully paid to date from the proceeds of the requisition; and (H) that the undisbursed Bond Proceeds are sufficient to complete the acquisition, installation and equipping of the Project Facility.

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

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

(4) Such other or further documents, data or information as the Holder shall reasonably request,

provided that the Holder may at the written request of the Institution advance the purchase price of the Series 2010A-2 Bonds from time to time pursuant to a Committed Disbursement Notice directly to the Institution or its designee (without first depositing the same in the Project Fund) to pay Qualified Costs incurred by the Institution.

(e) Any Committed Disbursements made by the Holder shall be evidenced by one or more accounts or records maintained by the Holder in the ordinary course of business. The accounts or records maintained by the Holder shall be conclusive, absent manifest error of the amount of the Committed Disbursements made by the Holder to the Issuer and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Issuer or the Institution hereunder to pay any amount owing with respect to the Bonds.

Section 4.02 Application of Bond Proceeds .

(a) On the Closing Date, the initial advance of the purchase price of the Bonds in the amount of \$7,295,000 shall be paid by the Holder and applied to (i) refund the 2000 Bonds and pay costs of issuance, the Issuer fee and other costs and (ii) the balance deposited in the Project Fund as set forth in the closing statement executed by an Authorized Representative of the Institution and approved by the Holder.

(b) Upon written request of the Institution, the Holder shall deposit into the Project Fund an amount equal to the lesser of (x) \$4,185,000 less the aggregate amount, if any, that has been advanced by the Holder directly to the Institution pursuant to a Committed Disbursement Notice without prior deposit in the Project Fund, or (y) ninety percent (90%) of the Costs of the Project less the sum of \$4,000,000.

Section 4.03. Reports by Holder. The Holder shall notify the Issuer of the principal of the Outstanding Bonds annually on the anniversary of the Closing Date and at such other times as the Issuer may request and of the redemption and prepayment the Bonds upon such payment or prepayment. Upon written request to the Holder, the Holder will provide to the Issuer and the Institution a record of the Committed Disbursement Notices and disbursements of the purchase price with respect to the Bonds.

ARTICLE V

REPAYMENT BY ISSUER; PAYMENT OF FEES

Section 5.01. Payment of Principal and Interest. The Issuer shall pay interest, premium, if any, the redemption price and the principal of the Bonds to the Holder in accordance with the terms thereof and this Agreement.

Section 5.02. Taxes. All payments by the Issuer and the Institution under this Agreement shall be made free and clear of any restrictions or conditions, without setoff or counterclaim. If any such deduction or withholding is required by law to be made by the Issuer, the Institution or any other Person (whether or not a party to, or on behalf of a party to, this Agreement) from any sum paid or payable by, or received or receivable from, the Issuer or the Institution, the Institution shall pay in the same manner and at the same time such additional amounts as will result in the Holder receiving and retaining (free from any liability other than tax on its overall net income) such net amount as would have been received by Holder had no such deduction or withholding been required to be made.

Section 5.03. Expenses. The Institution shall pay all reasonable fees and actual expenses incurred or payable by the Holder (including, without limitation, reasonable fees and actual expenses of counsel for the Holder), arising in connection with the negotiation, preparation and execution of this Agreement and the other Bond Documents and all other instruments and documents to be delivered hereunder or thereunder, and arising from time to time in connection with the transactions contemplated hereunder or thereunder.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES

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

(a) The Institution or the Issuer shall default in the timely payment of any Obligation or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution or the Issuer in accordance herewith, and such default continues for a period in excess of ten (10) days; or

(b) The failure by the Institution or the Issuer to observe and perform any covenant, condition or agreement hereunder (other than as set forth in paragraph (a) above) on their respective parts to be observed or performed for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Institution or the Issuer, as the case may be, by the Holder; *provided, however,* if the covenant, condition or agreement which the Institution or the Issuer has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Institution or the Issuer shall not be in default if the Institution or the Issuer, as the case may be, commences a cure within such thirty (30)

days and thereafter diligently proceeds with all action required to complete the cure and, in any event, completes such cure within ninety (90) days of such written notice from the Holder;

(c) The existence of an uncured event of default under any of the other Bond Documents;

(d) The occurrence of an event of default or an event which with the passage of time or giving of notice, or both, would constitute an event of default under any other agreement heretofore or hereafter entered into between the Institution and the Holder;

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

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

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

(h) Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent

of such Person and the appointment continues undischarged or unstayed for ninety (90) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for ninety (90) calendar days, or an order for relief is entered in any such proceeding;

(i) If the Institution shall merge or consolidate with any other corporation or entity unless the Institution is the surviving entity after such merger or consolidation or except for Permitted Encumbrances, sell, lease, transfer or otherwise dispose of a substantial part of its property or assets, or permit any Subsidiary to do so (except that any Subsidiary may merge into or consolidate with, or sell or otherwise dispose of its assets to, the Institution) without first having obtained the Holder's written consent;

(j) The Collateral Documents shall for any reason fail to create a valid first priority lien and security interest in the Collateral in favor of the Holder, except for Permitted Encumbrances;

(k) Any Bond Document or any provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Bond Document or any provision thereof; or any Loan Party denies that it has any or further liability or obligation under any Bond Document, or purports to revoke, terminate or rescind any Bond Document or any provision thereof;

(l) An attachment or garnishment writ or the like is levied against all or any material portion of any Collateral and such attachment or garnishment writ has not been discharged, vacated or modified to exclude any such Collateral within thirty (30) days and the Holder shall not be liable for contempt for failing to comply with such attachment or writ;

(m) Final judgment for the payment of money which shall be in excess of amounts covered by insurance is rendered against the Institution and within forty-five (45) days from the entry of such judgment has not been discharged or stayed pending appeal or has not been discharged within forty-five (45) days from the entry of a final order of affirmance on appeal;

(n) There is a change in Control of the Institution unless approved in writing by the Holder in its sole and absolute discretion;

(o) Except as otherwise provided herein, the direct or indirect sale, transfer or conveyance by the Institution of the Project Facility or the Refunded Project, or any portion thereof, or any interest (legal or equitable) therein unless approved by the Holder in its sole and absolute discretion;

(p) There occurs any event or circumstance that has a Material Adverse Effect; or

- (q) The occurrence of a default under any Hedging Contracts.

Section 6.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Holder shall not be obligated to make any further disbursements of Bond Proceeds and may in its sole discretion, declare the Bonds immediately due and payable without protest, presentment, any further notice or demand, all of which to the extent permitted by law are expressly waived by the Issuer. In such event, there shall be due and payable the total principal amount of the Bonds, any premium, all interest accrued thereon and which will accrue thereon to the date of payment and all other amounts due thereunder.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Purchase Agreement, the Holder may, at its sole option, annul in writing such declaration and its consequences.

Section 6.03. Other Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, the Holder (i) shall have, in addition to all other rights of the Holder, the rights and remedies of a secured party under the UCC, (ii) may proceed to protect and enforce the Holder's rights by suit in equity, action of law and/or other appropriate proceeding either for specific performance of any covenant or condition contained in this Agreement, any other Bond Document or in any instrument or document delivered to the Holder pursuant hereto or thereto, and (iii) in the exercise of any rights, remedies or powers granted in this Agreement, any other Bond Document and/or any such instrument or document, may proceed to declare the Obligations to be due and payable pursuant to Section 6.02 hereof, and the Holder may proceed to enforce payment of such Obligations as provided herein or in any Bond Document, and may offset and apply toward the payment of such amount any Indebtedness of the Holder to the Institution.

(b) Upon the occurrence and during the continuance of an Event of Default, the Holder and each of its Affiliates in its discretion may also set off any or all of the Obligations against any securities, cash or other property of the Institution in the possession of the Holder or its Affiliates and against any obligations owed to the Institution by the Holder or its Affiliates to the extent that it does not impact the Holder's or its Affiliate's ability to recover amounts owed to the Holder or its Affiliates. THE INSTITUTION UNDERSTANDS THAT, PURSUANT TO THE TERMS OF THIS AGREEMENT, THE INSTITUTION IS ALLOWING THE HOLDER AND ITS AFFILIATES TO SET OFF ANY OR ALL OBLIGATIONS OF THE INSTITUTION TO THE HOLDER OR ANY OF ITS AFFILIATES AND BY ALLOWING FOR THE HOLDER'S AND THE AFFILIATE'S SETOFF, THE INSTITUTION IS WAIVING ALL OF ITS RIGHTS TO LIMIT SETOFF TO THOSE OBLIGATIONS WHICH ARE MUTUAL AS BETWEEN THE HOLDER AND THE INSTITUTION.

Section 6.04. Remedies Not Exclusive. No failure by the Holder to exercise and no delay in exercising, and no course of dealing with respect to, any right hereunder shall operate as

a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No remedy conferred upon or reserved to the Holder by this Bond Purchase Agreement is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Holder now or hereafter existing at law or in equity or by statute or otherwise pursuant to any other Bond Documents.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Institution to Pay Expenses. The Institution agrees to pay (a) the reasonable fees and expenses of the Issuer, the Holder and their respective counsel, and all other reasonable costs and expenses incidental to the financing hereunder, the issuance of the Bonds and the costs of producing the documents referred to herein, including, without limitation, the fees and expenses of Bond Counsel, plus disbursements; (b) all taxes, if any, upon all documents and transactions pursuant to, or contemplated by, this Bond Purchase Agreement; (c) all expenses of all recordings and filings pursuant to or contemplated by this Bond Purchase Agreement; and (d) all costs and expenses of collection and the enforcement of any and all remedies and rights (including, without limitation, legal fees and disbursements) in the event of the occurrence of an Event of Default under this Bond Purchase Agreement.

Section 7.02. Recording and Filing. The Institution shall cause to be filed the Notice of Lending and all financing statements and continuation statements under the UCC in such manner and in such places as may be required by law to protect and maintain in force all such security interests.

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

Section 7.04. Severability.

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

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

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

To the Issuer:

Buffalo and Erie County Industrial
Land Development Corporation
275 Oak Street
Buffalo, New York 14203
Attention: President

With a copy to:

Harris Beach PLLC
Larkin at Exchange
726 Exchange Street
Suite 1000
Buffalo, New York 14210
Attention: Robert Murray, Esq.

To the Holder:

Manufacturers and Traders Trust Company
One Fountain Plaza
Buffalo, New York 14203-1495
Attention: Mark C. Rizzo, Vice President

With a copy to:

Harter Secrest & Emery LLP
Twelve Fountain Plaza, Suite 400
Buffalo, New York 14202
Attention: Anthony Mancinelli, Esq.

To the Institution:

Medaille College
18 Agassiz Circle
Buffalo, New York 14214
Attention: Matthew J. Carver
Vice President for Business and Finance

With a copy to:

Phillips Lytle LLP
3400 HSBC Center
Buffalo, New York 14203
Attention: Deborah A. Doxey

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

A duplicate copy of each notice, certificate or other communication given hereunder by any of the parties hereto to the addressee of such notice, certificate or other communication, shall be given to the remaining party hereto. The Issuer, the Institution and the Holder may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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

Section 7.07. Applicable Law. This Bond Purchase Agreement shall be governed exclusively by the applicable laws of the State without regard or reference to its conflict of laws principles.

Section 7.08. This Section is Intentionally Omitted.

Section 7.09. Amendment. No amendment, waiver or modification of any provision of this Agreement shall be effective except pursuant to an agreement or agreements in writing entered into by the parties hereto.

Section 7.10. No Recourse; Special Obligation of Issuer. The Obligations of the Issuer contained herein shall not constitute or give rise to an Obligation of the State of New York or Erie County, New York and neither the State of New York or Erie County, New York shall be liable thereon, and further such Obligations shall not constitute or give rise to a general obligation of the Issuer and the Institution, but rather shall constitute limited obligations of the Issuer and the Institution payable solely from the revenues of the Issuer derived and to be derived from sources set forth herein.

Section 7.11. Indemnity. The Institution hereby agrees to indemnify, defend and hold harmless the Holder and its officers, directors, employees, agents, representatives, successors and assigns (each, an "*Indemnified Person*") in connection with any losses, claims, damages, liabilities, obligations, penalties, actions, suits, costs, charges and actual expenses, including reasonable attorneys' fees, (i) of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and any other Bond Document, or the transactions contemplated hereby or thereby, including without limitation any of the foregoing asserted by any contractor, subcontractor or materialman under the Lien Law of the State, and with respect to any investigation, litigation or proceeding (including any bankruptcy, insolvency or appellate proceeding) related to this Agreement or the other Bond Documents or the transactions contemplated hereby or thereby or the use of any of the Bond Proceeds, whether or not any Indemnified Person is a party thereto; and (ii) which may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding (including any bankruptcy or insolvency proceeding) or any action taken by any Person with respect to any environmental claim or suit arising out of or related to any property of the Issuer or the Institution (all of the foregoing, the "*Indemnified Liabilities*"). Notwithstanding the foregoing, the Institution shall have no obligation to any Indemnified Person for any Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person, or the breach by the Holder of its obligations under this Agreement or the other Bond Documents, in each case as determined in a final, non-appealable decision of a court of competent jurisdiction or of an arbitration panel.

Section 7.12. Assignment, Etc.

(a) Any Holder may sell, assign, transfer or negotiate its rights and obligations under this Agreement and the other Bond Documents, in whole or in part, at any time only to (i) any of its Affiliates without notice to the Issuer or the Institution, or (ii) to any other domestic bank or entity upon not less than ten (10) Business Days' notice to the Institution and

the Issuer, in each case, subject to subsection (b) of this Section 7.12. The Issuer agrees to execute any additional or replacement Bonds requested by such Holder to further document any such sale, assignment, transfer or negotiation and to execute and deliver to the Issuer such documents and instruments as they may reasonably require in connection with the same. Any assignee or transferee of such Holder's rights and/or obligations shall be entitled to the full benefit of this Agreement to the same extent as if it were an original party in respect of the rights or obligations assigned or transferred to it.

(b) Assignments shall be subject to the following additional conditions:

(i) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Holder's rights and obligations under this Agreement; and

(ii) the parties to each assignment shall execute and deliver to the Issuer an Assignment and Assumption, together with the fees and expenses of the Issuer with respect to each such assignment.

(iii) Subject to acceptance and recording thereof pursuant to subsection (b)(v) of this Section 7.12, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Holder under this Agreement, and the assigning Holder thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Holder's rights and obligations under this Agreement, such Holder shall cease to be a party hereto, but shall continue to be entitled to the benefits of Sections 6.03 and 7.11). Any assignment or transfer by a Holder of rights or obligations under this Agreement that does not comply with this Section 7.12 shall be treated for purposes of this Agreement as a sale by such Holder of a participation in such rights and obligations in accordance with paragraph (c) of this Section 7.12.

(iv) The Institution, as registrar, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Holders, and the Commitment of, and principal amount of the Bonds owing to, the Holder pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive, and the Institution, the Issuer, and the Holders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Holder hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Issuer and any Holder at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Holder and an assignee, the processing and recordation fee referred to in paragraph (b)(iii) of this Section 7.12 and any written consent to such assignment required by paragraph (a) of this Section, the Institution shall accept such

Assignment and Assumption and record the information contained therein in the Register, *provided that* if either the assigning Holder or the assignee shall have failed to make any payment required to be made by it pursuant to Sections 4.01(a), 6.03(b) or 7.12(b)(ii) the Holder shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) Any Holder may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Holder, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, *provided that* no such pledge or assignment of a security interest shall release a Holder from any of its obligations hereunder or substitute any such pledgee or assignee for such Holder as a party hereto.

(c) Any Holder may sell participating interests in the indebtedness evidenced by any Bond held by such Holder, any Bond held by such Holder or any other interest of such Holder under this Agreement and the other Bond Documents to one or more banks or other entities ("*Participants*"). In the event of any such sale by a Holder of participating interests to a Participant, such Holder's obligations under this Agreement and the other Bond Documents shall remain unchanged, such Holder shall remain solely responsible to the other parties hereto for the performance of such obligations, such Holder shall remain the owner of the indebtedness evidenced by the Bonds and the holder of any Bond issued to it in evidence thereof for all purposes under the Bond Documents, all amounts payable by the Issuer and the Institution under this Agreement shall be determined as if such Holder had not sold such participating interests, and the Issuer and the Institution shall continue to deal solely and directly with such Holder in connection with such Holder's rights and obligations under the Bond Documents.

(d) Neither the Issuer nor the Institution may assign its rights or obligations under this Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and permitted assigns of all the parties to this Agreement.

(e) The Holder may at any time change the office through which it is acting for the purpose of this Agreement and may at any time act for this purpose through more than one office. The Holder may disclose to an assignee or transferee permitted by this Agreement such information about the Issuer, the Institution and the Bond Documents as it may deem appropriate, so long as such assignee or transferee has agreed in writing to treat such information as confidential to the same extent and in the same manner as the Holder is required to treat such information as confidential.

Section 7.13. Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Bond Purchase Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase Agreement.

Section 7.14. Survival. This Bond Purchase Agreement shall survive the purchase and sale of the Bonds and shall remain in full force and effect until the Bonds, together with interest thereon, and all amounts payable under this Bond Purchase Agreement and all of the other Bond Documents shall have been paid in full.

Section 7.15. Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties. In the event of a default by any contractor, subcontractor or materialman under any contract made by it in connection with the acquisition, installation, and equipping of the Project Facility or in the event of a breach of warranty with respect to any materials, workmanship or performance guaranty, the Institution shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution and/or the Issuer against the contractor, construction manager, subcontractor or materialman so in default and against each surety for the performance of such contract. The Institution shall notify the Issuer of any actions or proceedings taken hereunder.

Section 7.16. Reinstatement of Obligations. If and to the extent the Holder receives any payment with respect to the Obligations or this Agreement and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by the Holder or paid over to a trustee, receiver or any other entity, whether under any bankruptcy law or otherwise (any such payment is referred to as a “*Returned Payment*”), then this Agreement shall continue to be effective or shall be reinstated, as the case may be, to the extent of such payment or repayment by the Holder, and the Obligations or part thereof intended to be satisfied by such Returned Payments shall be revived and continued in full force and effect as if the Returned Payment had not been made.

Section 7.17. USA Patriot Act. The Holder hereby notifies the Company that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the names and addresses of the Company and other information that will allow the Holder to identify the Company in accordance with the USA Patriot Act.

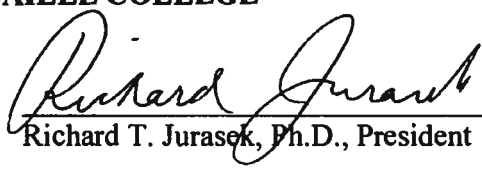
[SIGNATURE PAGE TO BOND PURCHASE AGREEMENT]

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

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By: 
David W. Kerchhoff, Assistant Treasurer

MEDAILLE COLLEGE

By: 
Richard T. Jurasek, Ph.D., President

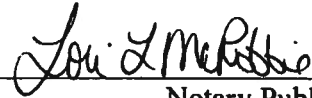
**MANUFACTURERS AND TRADERS TRUST
COMPANY**

By: 
Mark C. Rizzo, Vice President

[ACKNOWLEDGMENT PAGES TO BOND PURCHASE AGREEMENT]

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

On the 23rd day of November in the year 2010 before me, the undersigned, personally appeared **DAVID W. KERCHOFF**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Ulster Co. No. 01145055591
Commission Expires on Feb. 12, 2014

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

On the 23rd day of November in the year 2010 before me, the undersigned, personally appeared **RICHARD T. JURSASEK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Ulster Co. No. 01145055591
Commission Expires on Feb. 12, 2014

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

On the 23rd day of November in the year 2010 before me, the undersigned, personally appeared **MARK C. RIZZO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Ulster Co. No. 01145055591
Commission Expires on Feb. 12, 2014

EXHIBIT A-1

FORM OF SERIES 2010A-1 BOND

FORM OF SERIES 2010A-1 BOND

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER SAID ACT OR EXEMPTION THEREFROM. ANY SALE, TRANSFER OR DISPOSITION OF THE BONDS SHALL COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THE APPLICABLE BOND.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE BONDS
(MEDAILLE COLLEGE PROJECT), SERIES 2010A-1**

NO.: RA-1

MATURITY DATE: December 1, 2020

INTEREST RATE: 4.34%

DATED DATE: November 23, 2010

REGISTERED OWNER: MANUFACTURERS AND TRADERS TRUST COMPANY

PRINCIPAL AMOUNT: FOUR MILLION AND 00/100 DOLLARS (\$4,000,000)

The Buffalo and Erie County Industrial Land Development Corporation, a not for profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York, having its principal office at 275 Oak Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Sum set forth above or so much thereof as may be advanced from time to time (subject to reduction as hereinafter provided) and interest thereon from the Dated Date set forth above, to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for). Interest shall be payable at the Interest Rate identified above on the first day of each month, commencing December 1, 2010 (an "*Interest Payment Date*"). Principal in the amounts set forth in Schedule A attached hereto shall be payable on (a) each Interest Payment Date, commencing January 1, 2011, and (b) the Maturity Date, optional, mandatory or extraordinary redemption date; provided that, if any such date shall not be a Business Day, then such payment shall be made on the next succeeding Business Day (with interest payable through the stated Maturity Date or redemption date). In no event shall the interest rate payable hereon exceed the maximum permitted by, or enforceable under, applicable law. The Institution and the Holder may amend Schedule A following the Completion Date or any partial redemption of the Bonds, provided that the Issuer and the Holder shall have been furnished with an opinion of Bond Counsel that such amendment to Schedule A shall not cause interest on this Bond to be includable in gross income of the Holder for federal income tax purposes under the Code.

The principal of, and Prepayment Premium (as defined below), if applicable, and interest on this Bond are payable in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Any payment required hereunder prior to the final payment of this Bond, including partial redemption of principal, may be made for the account of the Issuer by check delivered or mailed by Medaille College, a New York education corporation (the "*Institution*"), to MANUFACTURERS AND TRADERS TRUST COMPANY, or its registered assigns (the "*Holder*") at One M&T Plaza, Buffalo, New York 14203 or such other location as may be designated by the Holder to the Institution in writing or by direct debit to any accounts maintained by the Institution with the Holder. The final payment of this Bond upon maturity, acceleration or redemption shall be made upon surrender of this Bond to the Institution.

This Bond is one of the duly issued bonds of the Issuer, designated "Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Medaille College. Project), Series 2010A-1," and issued in the original aggregate principal amount of \$4,000,000 (the "*Series 2010A-1 Bonds*"). The Series 2010A-1 Bonds were issued with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010B and issued in the original aggregate principal amount of up to \$3,295,000 (the "*Series 2010B Bonds*") and with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Bonds (Medaille College Project), Series 2010A-2 and issued in the original aggregate principal amount of up to \$4,185,000 (the "*Series 2010A-2 Bonds*" and together with the Series 2010A-1 Bonds and Series 2010B Bonds, the "*Bonds*"). The Bonds were issued for the purpose of funding a loan by the Issuer to the Institution for the purpose of financing a portion of the costs of (a)(i) the construction by the Institution of an approximately 17,088 square feet addition to Huber Hall and an approximately 19,250 square feet addition to Sullivan Campus Center, all located on the Institution's campus at 18 Agassiz Circle in the City of Buffalo, Erie County, New York (the "*Land*"), together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (ii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project Facility*"); (b) refund the outstanding balance of the \$4,245,000 original principal amount Erie County Industrial Development Agency Civic Facility Revenue Bonds (2000 Medaille College Project), Series 2000; and (c) pay certain issuance costs of the Bonds.

Reference is made to the Bond Purchase Agreement dated November 23, 2010 (the "*Bond Purchase Agreement*"), among the Issuer, the Institution and the Holder for a more complete description of the Project and the Refunded Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Institution and the Holders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization and which are not expressly defined herein, and where the rules of grammar or context do not otherwise require, shall have the meanings as set forth in the Bond Purchase Agreement. Each Holder assents, by

its acceptance hereof, to all of the provisions of the Bond Purchase Agreement. The Bonds are equally and ratably secured by the Collateral Documents.

In case any Event of Default (as defined in the Bond Purchase Agreement) occurs and is continuing, the principal amount of this Bond, together with Prepayment Premium, if applicable, and accrued interest, may be declared due and payable in the manner and with the effect provided in the Bond Purchase Agreement. After the occurrence and during the continuance of any such Event of Default, this Bond will, at the option of the Holder, bear interest at a rate per annum which at all times shall be equal to the sum of (i) two percent (2%) per annum plus (ii) the Interest Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within ten (10) days after the same is due, the Institution shall pay to the a late charge equal to five percent (5%) of the delinquent amount.

Prepayment Premium. The "Prepayment Premium" is a premium equal to the greater of (a) one percent (1%) of the amount prepaid, or (b) the present value of the difference between (i) the amount of interest that would have accrued on the prepaid principal from the date of prepayment through the Maturity Date (the "*Measurement Period*") at the Interest Rate and (ii) the amount of interest that would have accrued on the prepaid principal during the Measurement Period at the Current Market Rate. The "Current Market Rate" shall mean the most recent yield on United States Treasury Obligations adjusted to a constant maturity having a term most nearly corresponding to the Measurement Period, in effect two (2) Business Days prior to the date of prepayment, as published by the Board of Governors of the Federal Reserve System in the Federal Reserve Statistical Release H.15(519), or by such other quoting service, index or commonly available source utilized by the Holder for such purposes adjusted to a tax-exempt rate by multiplying by a factor of sixty-seven percent (67%). The present value calculation used herein shall use the Current Market Rate as a discount rate and shall be calculated as if each installment of principal had been made as scheduled pursuant to the terms of this Bond. In the event that the Outstanding Amount of the Bonds becomes due as a result of the exercise by the Holder hereof of any right to declare all indebtedness evidenced thereby to be due and payable in full, payment of said indebtedness shall be accompanied by payment of the prepayment premium specified above which would be applicable to a voluntary prepayment then made.

Optional Redemption. This Bond is subject to redemption, in whole or in part, prior to maturity at the election of the Issuer upon the direction of the Institution, in amounts of \$5,000 or integral multiples thereof, at a price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium, if applicable, and interest accrued thereon to the redemption date. The Institution shall notify the Issuer and the Holder of the date and amount of principal directed to be redeemed in writing at least thirty (30) days in advance thereof.

Mandatory Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole or in part prior to maturity:

(i) in amounts of \$5,000 or integral multiples thereof, in the event and to the extent excess moneys on deposit in the Project Fund after the completion of the Project, or from

excess property insurance proceeds or condemnation awards remaining after the application thereof pursuant to the Loan Agreement and the Bond Purchase Agreement, in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date; or

(ii) in the event the Project shall have been damaged or destroyed or title to, or the temporary use of, all or substantially all of the Project shall have been taken or condemned by a competent authority and the Institution elects not to repair, replace or restore the same, or the affected portion thereof, as set forth in the Loan Agreement, or fails to obtain Holder's consent therefor, all of property casualty insurance, condemnation or eminent domain proceeds shall be applied to the redemption of the Outstanding Bonds on an Interest Payment Date next following such transfer in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date.

Extraordinary Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole prior to maturity in the event of a Determination of Taxability. As used herein, a "Determination of Taxability" shall occur if the interest on any principal amount of this Bond is determined to be includable for any period for federal income tax purposes in the gross income of the Holder or any previous Holder thereof or any participation therein (other than a period for which the collection of the applicable federal income tax is barred by a statute of limitations) by (i) the Holder upon receipt of a written opinion of Bond Counsel to the effect that the continued exclusion of such interest from the gross income of the Holders cannot be justified or the refusal of such counsel to render a written opinion in customary form that such exclusion can be justified, or (ii) the Internal Revenue Service by making demand for payment or asserting in writing that such interest is not excludable from gross income for federal income tax purposes.

The Institution will promptly reimburse the Holder of this Bond subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such Holder in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on this Bond in the federal gross income of such Holder prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the Holder to the extent of any recovery thereof from the United States.

If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Holder with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a "*Regulatory Change*") (1) shall subject the Holder to any imposition or other charge with respect to any amounts due under the Bond Purchase Agreement or this Bond (except for changes in the rate of tax on the overall net income of the Holder), or (2) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar

requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Holder or shall impose on the Holder any other condition affecting payments under the Bond Purchase Agreement or any Bond or the Holder's rights to receive such payment, and the result of any of the foregoing is to increase the cost to the Holder of making or maintaining the investment evidenced by any Bond or to reduce the amount of any sum received or receivable by the Holder under the Bond Purchase Agreement or under this Bond by an amount deemed by the Holder to be material, then, upon demand by the Holder and receipt by the Issuer and the Institution of a certificate from the Holder setting forth its calculation of the amount owed, the Issuer or the Institution shall forthwith pay to the Holder such additional amount or amounts as will compensate the Holder for such increased costs or reduction in receipts.

If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Holder, or any Person controlling the Holder, and the Holder determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Holder's ownership of this Bond is reduced to a level below that which the Holder or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Holder to the Issuer and the Institution, the Issuer or the Institution shall immediately pay directly to the Holder additional amounts sufficient to compensate the Holder or such controlling Person for such reduction in rate of return. A certificate of the Holder as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Institution. In determining such amount, the Holder may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable. Such certificate shall set forth the nature of the occurrence giving rise to such compensation, the additional amount or amounts to be paid to the Holder hereunder and the method by which such amounts were determined. In determining such amounts, the Holder may use any reasonable averaging and attribution methods. Notwithstanding the foregoing, the "Regulatory Changes" described above will not be deemed to include any change the result of which is a Determination of Taxability (as defined below).

If the maximum marginal statutory rate of federal tax imposed upon income of corporations generally (whether or not the Holder is actually taxed at said maximum marginal statutory rate) decreases for any period during which this Bond is outstanding, the factor of 67% used in calculating the Interest Rate on this Bond shall be increased, effective upon the effective date of such decrease, to equal the product of:

$$\frac{[\text{Original Tax-Effective Factor}]}{[1 - \text{Original Tax Rate}]} \times [1 - \text{New Tax Rate}]$$

where (1) "Original Tax-Effective Factor" means 67%, the original factor used in calculating the interest on the Bonds, (2) "Original Tax Rate" means the maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon income of corporations generally at the date of original issuance of the Bonds, and (3) "New Tax Rate" means a maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon income of corporations generally which (a) is less than the Original Tax Rate and (b) comes into effect after the date the Interest Rate first became effective.

If an Event of Default as defined in the Bond Purchase Agreement occurs, the principal of the Prepayment Premium and any accrued interest on all Bonds issued under the Bond Purchase Agreement may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Purchase Agreement.

This Bond is transferable by the Registered Owner hereof or his duly authorized attorney upon surrender of this Bond to the Institution, as Registrar, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Registrar, subject to such reasonable regulations as the Institution or the Issuer may prescribe. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Institution may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

Except as set forth in this Bond and as otherwise provided in the Bond Purchase Agreement, the person in whose name this Bond is registered shall be deemed the Holder hereof for all purposes, and payment or on account of the principal of, or Prepayment Premium, if applicable, and interest on, this Bond shall be made only to or upon the order of the Registered Owner thereof or his duly authorized legal representative, and the Issuer and the Institution shall not be affected by any notice to the contrary. Such registration may be changed only as provided in this Bond and in the Bond Purchase Agreement, and no other notice to the Issuer or the Institution shall affect the rights or obligations with respect to the transfer of any Bond or be effective to transfer any Bond. All payments to the Person in whose name any Bond shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE HOLDER UNDER THE BOND PURCHASE AGREEMENT, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, THE SECURITY AGREEMENT AND THE INSTITUTION GUARANTY.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST AND PREPAYMENT PREMIUM ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE BOND PURCHASE AGREEMENT, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER,

DIRECTOR, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR ENTITY, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Bond Purchase Agreement or become valid or obligatory for any purpose until executed by an Authorized Representative of the Issuer.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Purchase Agreement, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Buffalo and Erie County Industrial Land Development Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Authorized Representative, as of the Dated Date identified above.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____

David W. Kerchoff
Authorized Representative

SCHEDULE A

[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.

DATED: _____

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

In the presence of:

FORM OF SERIES 2010A-2 BOND

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER SAID ACT OR EXEMPTION THEREFROM. ANY SALE, TRANSFER OR DISPOSITION OF THE BONDS SHALL COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THE APPLICABLE BOND.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE BONDS
(MEDAILLE COLLEGE PROJECT), SERIES 2010A-2**

NO.: RA-2

MATURITY DATE: December 1, 2020

INTEREST RATE: 4.77%

DATED DATE: November 23, 2010

REGISTERED OWNER: MANUFACTURERS AND TRADERS TRUST COMPANY

PRINCIPAL AMOUNT: FOUR MILLION ONE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$4,185,000)

The Buffalo and Erie County Industrial Land Development Corporation, a not for profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York, having its principal office at 275 Oak Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Sum set forth above or so much thereof as may be advanced from time to time (subject to reduction as hereinafter provided) and interest thereon from the Dated Date set forth above, to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for). Interest shall be payable at the Interest Rate identified above on the first day of each month, commencing December 1, 2010 (an "*Interest Payment Date*"). Principal in the amounts set forth in Schedule A attached hereto shall be payable on (a) each Interest Payment Date, commencing July 1, 2011, and (b) the Maturity Date, optional, mandatory or extraordinary redemption date; provided that, if any such date shall not be a Business Day, then such payment shall be made on the next succeeding Business Day (with interest payable through the stated Maturity Date or redemption date). In no event shall the interest rate payable hereon exceed the maximum permitted by, or enforceable under, applicable law. The Institution and the Holder may amend Schedule A following the Completion Date or any partial redemption of the Bonds, provided that the Issuer and the Holder shall have been furnished with an opinion of Bond Counsel that such amendment to Schedule A shall not cause interest on this Bond to be includable in gross income of the Holder for federal income tax purposes under the Code.

The principal of, and Prepayment Premium (as defined below), if applicable, and interest on this Bond are payable in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Any payment required hereunder prior to the final payment of this Bond, including partial redemption of principal, may be made for the account of the Issuer by check delivered or mailed by Medaille College, a New York education corporation (the "*Institution*"), to MANUFACTURERS AND TRADERS TRUST COMPANY, or its registered assigns (the "*Holder*") at One M&T Plaza, Buffalo, New York 14203 or such other location as may be designated by the Holder to the Institution in writing or by direct debit to any accounts maintained by the Institution with the Holder. The final payment of this Bond upon maturity, acceleration or redemption shall be made upon surrender of this Bond to the Institution.

This Bond is one of the duly issued bonds of the Issuer, designated "Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Medaille College. Project), Series 2010A-2," and issued in the original aggregate principal amount of \$4,185,000 (the "*Series 2010A-2 Bonds*"). The Series 2010A-2 Bonds were issued with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010A-1 and issued in the original aggregate principal amount of up to \$4,000,000 (the "*Series 2010A-1 Bonds*") and with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Bonds (Medaille College Project), Series 2010B and issued in the original aggregate principal amount of up to \$3,295,000 (the "*Series 2010B Bonds*" and together with the Series 2010A-1 Bonds and Series 2010A-2 Bonds, the "*Bonds*"). The Bonds were issued for the purpose of funding a loan by the Issuer to the Institution for the purpose of financing a portion of the costs of (a)(i) the construction by the Institution of an approximately 17,088 square feet addition to Huber Hall and an approximately 19,250 square feet addition to Sullivan Campus Center, all located on the Institution's campus at 18 Agassiz Circle in the City of Buffalo, Erie County, New York (the "*Land*"), together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (ii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project Facility*"); (b) refund the outstanding balance of the \$4,245,000 original principal amount Erie County Industrial Development Agency Civic Facility Revenue Bonds (2000 Medaille College Project), Series 2000; and (c) pay certain issuance costs of the Bonds.

Reference is made to the Bond Purchase Agreement dated November 23, 2010 (the "*Bond Purchase Agreement*"), among the Issuer, the Institution and the Holder for a more complete description of the Project and the Refunded Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Institution and the Holders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization and which are not expressly defined herein, and where the rules of grammar or context do not otherwise require, shall have the meanings as set forth in the Bond Purchase Agreement. Each Holder assents, by

its acceptance hereof, to all of the provisions of the Bond Purchase Agreement. The Bonds are equally and ratably secured by the Collateral Documents.

In case any Event of Default (as defined in the Bond Purchase Agreement) occurs and is continuing, the principal amount of this Bond, together with Prepayment Premium, if applicable, and accrued interest, may be declared due and payable in the manner and with the effect provided in the Bond Purchase Agreement. After the occurrence and during the continuance of any such Event of Default, this Bond will, at the option of the Holder, bear interest at a rate per annum which at all times shall be equal to the sum of (i) two percent (2%) per annum plus (ii) the Interest Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within ten (10) days after the same is due, the Institution shall pay to the Holder a late charge equal to five percent (5%) of the delinquent amount.

Prepayment Premium. The "Prepayment Premium" is a premium equal to the greater of (a) one percent (1%) of the amount prepaid, or (b) the present value of the difference between (i) the amount of interest that would have accrued on the prepaid principal from the date of prepayment through the Maturity Date (the "*Measurement Period*") at the Interest Rate and (ii) the amount of interest that would have accrued on the prepaid principal during the Measurement Period at the Current Market Rate. The "Current Market Rate" shall mean the most recent yield on United States Treasury Obligations adjusted to a constant maturity having a term most nearly corresponding to the Measurement Period, in effect two (2) Business Days prior to the date of prepayment, as published by the Board of Governors of the Federal Reserve System in the Federal Reserve Statistical Release H.15(519), or by such other quoting service, index or commonly available source utilized by the Holder for such purposes adjusted to a tax-exempt rate by multiplying by a factor of sixty-seven percent (67%). The present value calculation used herein shall use the Current Market Rate as a discount rate and shall be calculated as if each installment of principal had been made as scheduled pursuant to the terms of this Bond. In the event that the Outstanding Amount of the Bonds becomes due as a result of the exercise by the Holder hereof of any right to declare all indebtedness evidenced thereby to be due and payable in full, payment of said indebtedness shall be accompanied by payment of the prepayment premium specified above which would be applicable to a voluntary prepayment then made.

Optional Redemption. This Bond is subject to redemption, in whole or in part, prior to maturity at the election of the Issuer upon the direction of the Institution, in amounts of \$5,000 or integral multiples thereof, at a price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium, if applicable, and interest accrued thereon to the redemption date. The Institution shall notify the Issuer and the Holder of the date and amount of principal directed to be redeemed in writing at least thirty (30) days in advance thereof.

Mandatory Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole or in part prior to maturity:

(i) in amounts of \$5,000 or integral multiples thereof, in the event and to the extent excess moneys on deposit in the Project Fund after the completion of the Project, or from excess property insurance proceeds or condemnation awards remaining after the application thereof pursuant to the Loan Agreement and the Bond Purchase Agreement, in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date; or

(ii) in the event the Project shall have been damaged or destroyed or title to, or the temporary use of, all or substantially all of the Project shall have been taken or condemned by a competent authority and the Institution elects not to repair, replace or restore the same, or the affected portion thereof, as set forth in the Loan Agreement, or fails to obtain Holder's consent therefor, all of property casualty insurance, condemnation or eminent domain proceeds shall be applied to the redemption of the Outstanding Bonds on an Interest Payment Date next following such transfer in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date.

Extraordinary Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole prior to maturity in the event of a Determination of Taxability. As used herein, a "Determination of Taxability" shall occur if the interest on any principal amount of this Bond is determined to be includable for any period for federal income tax purposes in the gross income of the Holder or any previous Holder thereof or any participation therein (other than a period for which the collection of the applicable federal income tax is barred by a statute of limitations) by (i) the Holder upon receipt of a written opinion of Bond Counsel to the effect that the continued exclusion of such interest from the gross income of the Holders cannot be justified or the refusal of such counsel to render a written opinion in customary form that such exclusion can be justified, or (ii) the Internal Revenue Service by making demand for payment or asserting in writing that such interest is not excludable from gross income for federal income tax purposes.

The Institution will promptly reimburse the Holder of this Bond subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such Holder in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on this Bond in the federal gross income of such Holder prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the Holder to the extent of any recovery thereof from the United States.

If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Holder with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a "*Regulatory Change*") (1) shall subject the Holder to any imposition or other charge with respect to any amounts due under the Bond Purchase Agreement or this

Bond (except for changes in the rate of tax on the overall net income of the Holder), or (2) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Holder or shall impose on the Holder any other condition affecting payments under the Bond Purchase Agreement or any Bond or the Holder's rights to receive such payment, and the result of any of the foregoing is to increase the cost to the Holder of making or maintaining the investment evidenced by any Bond or to reduce the amount of any sum received or receivable by the Holder under the Bond Purchase Agreement or under this Bond by an amount deemed by the Holder to be material, then, upon demand by the Holder and receipt by the Issuer and the Institution of a certificate from the Holder setting forth its calculation of the amount owed, the Issuer or the Institution shall forthwith pay to the Holder such additional amount or amounts as will compensate the Holder for such increased costs or reduction in receipts.

If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Holder, or any Person controlling the Holder, and the Holder determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Holder's ownership of this Bond is reduced to a level below that which the Holder or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Holder to the Issuer and the Institution, the Issuer or the Institution shall immediately pay directly to the Holder additional amounts sufficient to compensate the Holder or such controlling Person for such reduction in rate of return. A certificate of the Holder as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Institution. In determining such amount, the Holder may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable. Such certificate shall set forth the nature of the occurrence giving rise to such compensation, the additional amount or amounts to be paid to the Holder hereunder and the method by which such amounts were determined. In determining such amounts, the Holder may use any reasonable averaging and attribution methods. Notwithstanding the foregoing, the "Regulatory Changes" described above will not be deemed to include any change the result of which is a Determination of Taxability (as defined below).

If the maximum marginal statutory rate of federal tax imposed upon income of corporations generally (whether or not the Holder is actually taxed at said maximum marginal statutory rate) decreases for any period during which this Bond is outstanding, the factor of 67% used in calculating the Interest Rate on this Bond shall be increased, effective upon the effective date of such decrease, to equal the product of:

$$\frac{[\text{Original Tax-Effective Factor}]}{[1 - \text{Original Tax Rate}]} \times [1 - \text{New Tax Rate}]$$

where (1) "Original Tax-Effective Factor" means 67%, the original factor used in calculating the interest on the Bonds, (2) "Original Tax Rate" means the maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon income of corporations generally at the date of original issuance of the Bonds, and (3) "New Tax Rate" means a maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon income of corporations generally which (a) is less than the Original Tax Rate and (b) comes into effect after the date the Interest Rate first became effective.

If an Event of Default as defined in the Bond Purchase Agreement occurs, the principal of the Prepayment Premium and any accrued interest on all Bonds issued under the Bond Purchase Agreement may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Purchase Agreement.

This Bond is transferable by the Registered Owner hereof or his duly authorized attorney upon surrender of this Bond to the Institution, as Registrar, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Registrar, subject to such reasonable regulations as the Institution or the Issuer may prescribe. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Institution may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

Except as set forth in this Bond and as otherwise provided in the Bond Purchase Agreement, the person in whose name this Bond is registered shall be deemed the Holder hereof for all purposes, and payment or on account of the principal of, or Prepayment Premium, if applicable, and interest on, this Bond shall be made only to or upon the order of the registered Holder thereof or his duly authorized legal representative, and the Issuer and the Institution shall not be affected by any notice to the contrary. Such registration may be changed only as provided in this Bond and in the Bond Purchase Agreement, and no other notice to the Issuer or the Institution shall affect the rights or obligations with respect to the transfer of any Bond or be effective to transfer any Bond. All payments to the Person in whose name any Bond shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE HOLDER UNDER THE BOND PURCHASE AGREEMENT, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, THE SECURITY AGREEMENT AND THE INSTITUTION GUARANTY.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST AND PREPAYMENT PREMIUM ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE BOND PURCHASE

AGREEMENT, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR ENTITY, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Bond Purchase Agreement or become valid or obligatory for any purpose until executed by an Authorized Representative of the Issuer.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Purchase Agreement, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Buffalo and Erie County Industrial Land Development Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Authorized Representative, as of the Dated Date identified above.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____

David W. Kerchoff
Authorized Representative

SCHEDULE A

[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.

DATED: _____

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

In the presence of:

FORM OF SERIES 2010B BOND

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER SAID ACT OR EXEMPTION THEREFROM. ANY SALE, TRANSFER OR DISPOSITION OF THE BONDS SHALL COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THE APPLICABLE BOND.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE BONDS
(MEDAILLE COLLEGE PROJECT), SERIES 2010B**

NO.: RB-1

MATURITY DATE: December 1, 2020

INTEREST RATE: 4.34%

DATED DATE: November 23, 2010

REGISTERED OWNER: MANUFACTURERS AND TRADERS TRUST COMPANY

PRINCIPAL AMOUNT: THREE MILLION TWO HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,295,000)

The Buffalo and Erie County Industrial Land Development Corporation, a not for profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York, having its principal office at 275 Oak Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Sum set forth above or so much thereof as may be advanced from time to time (subject to reduction as hereinafter provided) and interest thereon from the Dated Date set forth above, to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for). Interest shall be payable at the Interest Rate identified above on the first day of each month, commencing December 1, 2010 (an "*Interest Payment Date*"). Principal in the amounts set forth in Schedule A attached hereto shall be payable on (a) each Interest Payment Date, commencing January 1, 2011, and (b) the Maturity Date, optional, mandatory or extraordinary redemption date; provided that, if any such date shall not be a Business Day, then such payment shall be made on the next succeeding Business Day (with interest payable through the stated Maturity Date or redemption date). In no event shall the interest rate payable hereon exceed the maximum permitted by, or enforceable under, applicable law.

The principal of, and Prepayment Premium (as defined below), if applicable, and interest on this Bond are payable in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Any payment required hereunder prior to the final payment of this Bond, including partial redemption of principal, may

be made for the account of the Issuer by check delivered or mailed by Medaille College, a New York education corporation (the "*Institution*"), to MANUFACTURERS AND TRADERS TRUST COMPANY, or its registered assigns (the "*Holder*") at One M&T Plaza, Buffalo, New York 14203 or such other location as may be designated by the Holder to the Institution in writing or by direct debit to any accounts maintained by the Institution with the Holder. The final payment of this Bond upon maturity, acceleration or redemption shall be made upon surrender of this Bond to the Institution.

This Bond is one of the duly issued bonds of the Issuer, designated "Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Medaille College. Project), Series 2010B," and issued in the original aggregate principal amount of \$3,295,000 (the "*Series 2010B Bonds*"). The Series 2010B Bonds were issued with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Revenue Bonds (Medaille College Project), Series 2010A-1 and issued in the original aggregate principal amount of up to \$4,000,000 (the "*Series 2010A-1 Bonds*") and with the series of bonds of the Issuer designated "Buffalo and Erie County Industrial Land Development Corporation" Tax-Exempt Bonds (Medaille College Project), Series 2010A-2 and issued in the original aggregate principal amount of up to \$4,185,000 (the "*Series 2010A-2 Bonds*" and together with the Series 2010A-1 Bonds and Series 2010B Bonds, the "*Bonds*"). The Bonds were issued for the purpose of funding a loan by the Issuer to the Institution for the purpose of financing a portion of the costs of (a)(i) the construction by the Institution of an approximately 17,088 square feet addition to Huber Hall and an approximately 19,250 square feet addition to Sullivan Campus Center, all located on the Institution's campus at 18 Agassiz Circle in the City of Buffalo, Erie County, New York (the "*Land*"), together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (ii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project Facility*"); (b) refund the outstanding balance of the \$4,245,000 original principal amount Erie County Industrial Development Agency Civic Facility Revenue Bonds (2000 Medaille College Project), Series 2000; and (c) pay certain issuance costs of the Bonds.

Reference is made to the Bond Purchase Agreement dated November 23, 2010 (the "*Bond Purchase Agreement*"), among the Issuer, the Institution and the Holder for a more complete description of the Project and the Refunded Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Institution and the Holders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization and which are not expressly defined herein, and where the rules of grammar or context do not otherwise require, shall have the meanings as set forth in the Bond Purchase Agreement. Each Holder assents, by its acceptance hereof, to all of the provisions of the Bond Purchase Agreement. The Bonds are equally and ratably secured by the Collateral Documents.

In case any Event of Default (as defined in the Bond Purchase Agreement) occurs and is continuing, the principal amount of this Bond, together with Prepayment Premium, if applicable,

and accrued interest, may be declared due and payable in the manner and with the effect provided in the Bond Purchase Agreement. After the occurrence and during the continuance of any such Event of Default, this Bond will, at the option of the Holder, bear interest at a rate per annum which at all times shall be equal to the sum of (i) two percent (2%) per annum plus (ii) the Interest Rate then payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within ten (10) days after the same is due, the Institution shall pay to the Holder a late charge equal to five percent (5%) of the delinquent amount.

Prepayment Premium. The "Prepayment Premium" is a premium equal to the greater of (a) one percent (1%) of the amount prepaid, or (b) the present value of the difference between (i) the amount of interest that would have accrued on the prepaid principal from the date of prepayment through the Maturity Date (the "*Measurement Period*") at the Interest Rate and (ii) the amount of interest that would have accrued on the prepaid principal during the Measurement Period at the Current Market Rate. The "Current Market Rate" shall mean the most recent yield on United States Treasury Obligations adjusted to a constant maturity having a term most nearly corresponding to the Measurement Period, in effect two (2) Business Days prior to the date of prepayment, as published by the Board of Governors of the Federal Reserve System in the Federal Reserve Statistical Release H.15(519), or by such other quoting service, index or commonly available source utilized by the Holder for such purposes adjusted to a tax-exempt rate by multiplying by a factor of sixty-seven percent (67%). The present value calculation used herein shall use the Current Market Rate as a discount rate and shall be calculated as if each installment of principal had been made as scheduled pursuant to the terms of this Bond. In the event that the Outstanding Amount of the Bonds becomes due as a result of the exercise by the Holder hereof of any right to declare all indebtedness evidenced thereby to be due and payable in full, payment of said indebtedness shall be accompanied by payment of the prepayment premium specified above which would be applicable to a voluntary prepayment then made.

Optional Redemption. This Bond is subject to redemption, in whole or in part, prior to maturity at the election of the Issuer upon the direction of the Institution, in amounts of \$5,000 or integral multiples thereof, at a price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium, if applicable, and interest accrued thereon to the redemption date. The Institution shall notify the Issuer and the Holder of the date and amount of principal directed to be redeemed in writing at least thirty (30) days in advance thereof.

Mandatory Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole or in part prior to maturity:

(i) in amounts of \$5,000 or integral multiples thereof, from excess property insurance proceeds or condemnation awards remaining after the application thereof pursuant to the Loan Agreement and the Bond Purchase Agreement, in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date; or

(ii) in the event the Project shall have been damaged or destroyed or title to, or the temporary use of, all or substantially all of the Project shall have been taken or condemned by a competent authority and the Institution elects not to repair, replace or restore the same, or the affected portion thereof, as set forth in the Loan Agreement, or fails to obtain Holder's consent therefor, all of property casualty insurance, condemnation or eminent domain proceeds shall be applied to the redemption of the Outstanding Bonds on an Interest Payment Date next following such transfer in each case at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with the Prepayment Premium and interest accrued thereon to the redemption date.

Extraordinary Redemption. The Bonds shall be redeemed on any Interest Payment Date in whole prior to maturity in the event of a Determination of Taxability. As used herein, a "Determination of Taxability" shall occur if the interest on any principal amount of this Bond is determined to be includable for any period for federal income tax purposes in the gross income of the Holder or any previous Holder thereof or any participation therein (other than a period for which the collection of the applicable federal income tax is barred by a statute of limitations) by (i) the Holder upon receipt of a written opinion of Bond Counsel to the effect that the continued exclusion of such interest from the gross income of the Holders cannot be justified or the refusal of such counsel to render a written opinion in customary form that such exclusion can be justified, or (ii) the Internal Revenue Service by making demand for payment or asserting in writing that such interest is not excludable from gross income for federal income tax purposes.

The Institution will promptly reimburse the Holder of this Bond subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such Holder in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on this Bond in the federal gross income of such Holder prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the Holder to the extent of any recovery thereof from the United States.

If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Holder with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a "*Regulatory Change*") (1) shall subject the Holder to any imposition or other charge with respect to any amounts due under the Bond Purchase Agreement or this Bond (except for changes in the rate of tax on the overall net income of the Holder), or (2) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Holder or shall impose on the Holder any other condition affecting payments under the Bond Purchase Agreement or any Bond or the Holder's rights to receive such payment, and the result of any of the foregoing is to increase the cost to the Holder of making or maintaining the investment evidenced by any Bond or to reduce the amount of any

sum received or receivable by the Holder under the Bond Purchase Agreement or under this Bond by an amount deemed by the Holder to be material, then, upon demand by the Holder and receipt by the Issuer and the Institution of a certificate from the Holder setting forth its calculation of the amount owed, the Issuer or the Institution shall forthwith pay to the Holder such additional amount or amounts as will compensate the Holder for such increased costs or reduction in receipts.

If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Holder, or any Person controlling the Holder, and the Holder determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Holder's ownership of this Bond is reduced to a level below that which the Holder or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Holder to the Issuer and the Institution, the Issuer or the Institution shall immediately pay directly to the Holder additional amounts sufficient to compensate the Holder or such controlling Person for such reduction in rate of return. A certificate of the Holder as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Institution. In determining such amount, the Holder may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable. Such certificate shall set forth the nature of the occurrence giving rise to such compensation, the additional amount or amounts to be paid to the Holder hereunder and the method by which such amounts were determined. In determining such amounts, the Holder may use any reasonable averaging and attribution methods. Notwithstanding the foregoing, the "Regulatory Changes" described above will not be deemed to include any change the result of which is a Determination of Taxability (as defined below).

If the maximum marginal statutory rate of federal tax imposed upon income of corporations generally (whether or not the Holder is actually taxed at said maximum marginal statutory rate) decreases for any period during which this Bond is outstanding, the factor of 67% used in calculating the Interest Rate on this Bond shall be increased, effective upon the effective date of such decrease, to equal the product of:

$$\frac{[\text{Original Tax-Effective Factor}]}{[1 - \text{Original Tax Rate}]} \times [1 - \text{New Tax Rate}]$$

where (1) "Original Tax-Effective Factor" means 67%, the original factor used in calculating the interest on the Bonds, (2) "Original Tax Rate" means the maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon income of corporations generally at the date of original issuance of the Bonds, and (3) "New Tax Rate" means a maximum marginal statutory rate of federal tax, expressed as a decimal, which may be imposed upon

income of corporations generally which (a) is less than the Original Tax Rate and (b) comes into effect after the date the Interest Rate first became effective.

If an Event of Default as defined in the Bond Purchase Agreement occurs, the principal of the Prepayment Premium and any accrued interest on all Bonds issued under the Bond Purchase Agreement may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Purchase Agreement.

This Bond is transferable by the Registered Owner hereof or his duly authorized attorney upon surrender of this Bond to the Institution, as Registrar, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Registrar, subject to such reasonable regulations as the Institution or the Issuer may prescribe. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Institution may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

Except as set forth in this Bond and as otherwise provided in the Bond Purchase Agreement, the person in whose name this Bond is registered shall be deemed the Holder hereof for all purposes, and payment on or account of the principal of, or Prepayment Premium, if applicable, and interest on, this Bond shall be made only to or upon the order of the registered Holder thereof or his duly authorized legal representative, and the Issuer and the Institution shall not be affected by any notice to the contrary. Such registration may be changed only as provided in this Bond and in the Bond Purchase Agreement, and no other notice to the Issuer or the Institution shall affect the rights or obligations with respect to the transfer of any Bond or be effective to transfer any Bond. All payments to the Person in whose name any Bond shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT, MONEYS AND SECURITIES HELD BY THE HOLDER UNDER THE BOND PURCHASE AGREEMENT, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, THE SECURITY AGREEMENT AND THE INSTITUTION GUARANTY.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST AND PREPAYMENT PREMIUM ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE BOND PURCHASE AGREEMENT, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR ENTITY, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Bond Purchase Agreement or become valid or obligatory for any purpose until executed by an Authorized Representative of the Issuer.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, NEW YORK.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Purchase Agreement, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Buffalo and Erie County Industrial Land Development Corporation has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Authorized Representative, as of the Dated Date identified above.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____
David W. Kerchoff
Authorized Representative

SCHEDULE A

[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.

DATED: _____

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

In the presence of:

EXHIBIT B

FORM OF NOTICE OF LENDING

NOTICE OF LENDING

Notice is hereby given on this 23rd day of November, 2010, that **MANUFACTURERS AND TRADERS TRUST COMPANY** (the "Lender"), One Fountain Plaza, Buffalo, New York 14203, will advance sums of money not exceeding **EIGHT MILLION ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$8,185,000.00)** at any one time. The advances will be made to **MEDAILLE COLLEGE**, (the "Borrower") whose address is 18 Agassiz Circle, Buffalo, New York 142147, who is the record owner of certain real property located at 18 Agassiz Circle, Buffalo, New York 142417.

The advances are to be made to finance a portion of the cost of the acquisition, construction and equipping of certain improvements of premises at the above location(s) including an approximately 17,088 square foot addition to the existing Huber Hall and a 19,250 square foot addition to the existing Sullivan Campus Center located at the real property and the making of certain infrastructure improvements to the existing facility:

The Borrower covenants and agrees that it will receive the advances and will hold the right to receive such advances as trust funds to be applied first to the payment of trust claims as defined in Section 73 of the New York State Lien Law and that it will apply the same to such payments only, before using any part of such advances for any other purpose.

The advances shall be made in accordance with the terms of a certain bond purchase agreement dated November 23, 2010 (the "Bond Purchase Agreement") by and among the Buffalo and Erie County Industrial Land Development Corporation, the Lender and the Borrower.

This Notice of Lending will terminate twenty-four (24) months from the date first written above unless terminated sooner pursuant to the terms of the Bond Purchase Agreement.

This Notice of Lending is given and filed pursuant to Section 73 of the Lien Law of the State of New York.

Manufacturers And Traders Trust Company
One Fountain Plaza
Buffalo, New York 14203

BY: _____


MARK C. RIZZO, VICE PRESIDENT

MEDAILLE COLLEGE

BY: _____


Richard T. Jurasek, Ph.D., President

STATE OF NEW YORK)
COUNTY OF ERIE) ss

On this 23rd day of November, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared **MARK C. RIZZO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 14

STATE OF NEW YORK)
COUNTY OF ERIE) ss

On this 23rd day of November, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared **RICHARD T. JURASEK, Ph.D.**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 14

EXHIBIT C

**FORM OF COMMITTED DISBURSEMENT NOTICE FOR PAYMENT
AND DISBURSEMENT UPON WRITTEN REQUEST OF INSTITUTION**

To: Manufacturers and Traders Trust Company
One Fountain Plaza
Buffalo, New York 14203

Re: \$8,185,000 Revenue Bonds (Medaille College Project), Series 2010A

Requisition Number: _____

Date: _____, 20__

Gentlemen:

You are hereby authorized to make an advance to the Institution in the amount of \$_____, consisting of the aggregate amount of the following advances and disbursements of the Bond Proceeds totaling \$_____, less the sum of \$_____, in accordance with Section 4.01 of that certain Bond Purchase Agreement, dated as of November __, 2010 (the "*Bond Purchase Agreement*"), by and among the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*"), Medaille College (the "*Institution*") and Manufacturers and Traders Trust Company (the "*Holder*").

(i) Name(s) and address(es) of the person(s) to whom payment is to be made, if other than the Institution, and the amount to be paid to each:

Payee	Amount	Fund
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With respect to the obligation(s) referred to above, the undersigned, an Authorized Representative of the Institution, hereby certifies that:

(A) The disbursement hereby requested is for a proper expenditure of Bond Proceeds pursuant to the Bond Purchase Agreement, the Loan Agreement and the Tax Compliance Agreement;

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

(C) None of the items for which this requisition is made has been the basis for any prior disbursement of Bond Proceeds;

(D) All Persons furnishing materials to, or performing work on, the Project Facility have been paid to date or will be fully paid to date from the proceeds of this requisition;

(E) The undisbursed Bond Proceeds are sufficient to complete the acquisition, construction and equipping of the Project Facility;

(F) The amount hereby requested has been paid or is to be paid or shall be paid from the moneys requested and that, insofar as the payment is for work, materials, supplies or equipment, the work has been performed and the materials, supplies or equipment have been installed in the Project Facility or have been delivered either at the Project Facility or at a proper place for fabrication and are covered by adequate insurance; and

(G) There exists no Event of Default under any of the Bond Documents.

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

MEDAILLE COLLEGE

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "*Assignment and Assumption*") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "*Assignor*") and [Insert name of Assignee] (the "*Assignee*"). Capitalized terms used but not defined herein shall have the meanings given to them in the Bond Purchase Agreement identified below (as amended, the "*Bond Purchase Agreement*"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Bond Purchase Agreement, as of the Effective Date as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Holder under the Bond Purchase Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any guarantees included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Holder) against any Person, whether known or unknown, arising under or in connection with the Bond Purchase Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity, related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "*Assigned Interest*"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate of [identify Lender]]
3. Institution: Medaille College
4. Issuer: Buffalo and Erie County Industrial Land Development Corporation
5. Bond Purchase Agreement: The Bond Purchase Agreement dated as of November ____, 2010, among the Issuer, the Institution and Manufacturers and Traders Trust Company.

6. Assigned Interest:

Assignor[s]	Assignee(s)	Aggregate Amount of Commitment for All Holders	Amount of Commitment Assigned	Percentage Assigned of Commitment

Effective Date: _____, 20__ [to be inserted by Issuer and which shall be the Effective Date of recordation of transfer in the Register therefor.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR:

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE:

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

ANNEX 1

BOND PURCHASE AGREEMENT, DATED AS OF NOVEMBER __, 2010, AMONG BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, MEDAILLE COLLEGE AND MANUFACTURERS AND TRADERS TRUST COMPANY,

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Bond Purchase Agreement or any other Bond Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Bond Documents or any collateral thereunder, (iii) the financial condition of the Issuer, the Institution or any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Bond Document, or (iv) the performance or observance by the Issuer, the Institution or any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Bond Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Holder under the Bond Purchase Agreement, (ii) it satisfies the requirements, if any, specified in the Bond Purchase Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Holder, (iii) from and after the Effective Date, it shall be bound by the provisions of the Bond Purchase Agreement as a Holder thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Holder thereunder, and (iv) it has received a copy of the Bond Purchase Agreement, together with copies of the most recent financial statements delivered pursuant to Section 2.04(e) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on any other Holder; and (b) agrees that (i) it will, independently and without reliance on the Assignor or any other Holder, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Bond Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Bond Documents are required to be performed by it as a Holder.

2. Payments. From and after the Effective Date, the Institution shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard or reference to its conflict of laws principles.