

Record and Return to:
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attention: Alex Neubert

AGENCY MORTGAGE AND SECURITY AGREEMENT

From
CRYSTAL RUN VILLAGE, INC.,
as Owner and Debtor,
and
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To
THE BANK OF NEW YORK,
as Trustee and Mortgagee,

and
ACA FINANCIAL GUARANTY CORPORATION,
as Mortgagee

Dated as of June 1, 2006

Orange County Industrial Development Agency
Civic Facility Revenue Bonds
(Special Needs Facilities Pooled Program)
\$3,635,000 Series 2006G-1
\$220,000 Series 2006G-2 (Federally Taxable)

Affecting that real property and personal property described in the
Description of Mortgaged Facility Realty and Mortgaged Facility Equipment
in the appendices to this Agency Mortgage and Security Agreement
in the County of Orange, State of New York

<u>Address</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>
54 Corbett Road Montgomery, New York	19	2	72.32	3935 Route 208 Campbell Hall, New York	7	1	99.1
64 Carter Road New Hampton, New York	25	1	3.33	295 Depot Street Pine Bush, New York	2	1	33.21
189 Pine Tree Road Monroe, New York	232	1	7	335 Arcadia Road Goshen, New York	18	1	12
227 Jacobs Road Westtown, New York	6	1	24.3	43 Lexington Drive Newburgh, New York	26	10	14

Mortgage Amount: \$2,518,800.13

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AGENCY MORTGAGE AND SECURITY AGREEMENT

This AGENCY MORTGAGE AND SECURITY AGREEMENT made and entered into as of the date set forth on the cover page hereof (this "Mortgage") (capitalized terms not otherwise defined herein shall have the meanings ascribed to them in Appendix A attached hereto and made a part hereof or in the Indenture or in the Installment Sale Agreement) from CRYSTAL RUN VILLAGE, INC., a New York not-for-profit corporation having its principal office at 601 Stony Ford Road, Middletown, New York 10941, as fee owner and debtor (the "Debtor"), and the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York, having its office at 255-275 Main Street, County Government Center, Goshen, New York 10924 (the "Agency"), to THE BANK OF NEW YORK, a New York banking corporation, having its principal corporate trust office at 101 Barclay Street, Floor 21W, New York, New York 10286, together with any successor trustee under the Indenture (the "Trustee"), and ACA FINANCIAL GUARANTY CORPORATION, a corporation duly organized and existing as a stock insurance company under the laws of the State of Maryland, having its principal office at 140 Broadway, 47th Floor, New York, New York 10005 (the "Bond Insurer" and, together with the Trustee, the "Mortgagee"):

WITNESSETH:

WHEREAS, the Agency intends to issue the Bonds pursuant to the Act, the Bond Resolution and the Indenture; and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be used to finance the cost of the Mortgaged Facility within Orange County, which Mortgaged Facility is owned by the Debtor; and

WHEREAS, the Debtor shall lease the Mortgaged Facility to the Agency pursuant to the Company Lease, and, subsequent to the execution and delivery by the Agency of this Mortgage, the Agency shall sell its leasehold interest in the Mortgaged Facility under the Company Lease to the Debtor pursuant to the Installment Sale Agreement; and

WHEREAS, simultaneously with the issuance and delivery of the Bonds, two (2) non-cancelable bond insurance policies (collectively, the "Bond Insurance Policy") will be issued by the Bond Insurer, pursuant to, among other agreements, an Insurance Agreement, dated as of even date herewith, from the Debtor to the Bond Insurer (as the same may be amended or supplemented, the "Bond Insurance Agreement"), which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS, in order to (i) induce the Agency to issue, and the initial owners to purchase, the Bonds, and (ii) induce the Bond Insurer to issue and deliver the Bond Insurance Policy, the Debtor and the Agency are entering into this Mortgage;

NOW, THEREFORE, in consideration of the premises and of the purchase and acceptance of the Bonds by the initial owner thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure

(i) payment of the Bonds in the initial amount of \$ _____ and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Agency of all the covenants expressed or implied in the Bonds, and

(ii) payment, performance and observance of all obligations of the Debtor under the Bond Insurance Agreement and the other Project Documents including this Mortgage,

whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the "Obligations"), the Agency and the Debtor do hereby grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Trustee and the Bond Insurer, as mortgagees, and their respective assigns forever, their respective rights, title and interest to the following (the "Mortgaged Property"):

GRANTING CLAUSES

I

The Mortgaged Facility Realty together with the tenements, hereditaments, servitudes, appurtenances, estate, rights, privileges, liberties, licenses, royalties, mineral, oil and gas rights, water, water rights, reversions, remainders and immunities thereunto belonging or appertaining which may from time to time be owned by the Debtor or the Agency, including all the right, title and interest of the Debtor and the Agency in and to all streets, ways, alleys, roads, waters, water courses, water rights, waterways, passages, sewer rights and public places adjoining the Mortgaged Facility Realty and all easements and rights-of-way, public or private, and gores of land, now or hereafter used in connection therewith, together with all land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Mortgaged Facility Realty to the center line thereof, now or hereafter used in connection with the Mortgaged Facility Realty.

II

The Mortgaged Facility Equipment, together with all fixtures (other than trade fixtures), now or hereafter attached to, or used or usable in connection with any present or future operation or occupancy of the Mortgaged Facility and owned by the Debtor or the Agency or in which the Debtor or the Agency has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, including without limitation all partitions, elevators, lifts, steam and hot water boilers, heating and air conditioning equipment, lighting and power plants, engines, motors, compressors, ducts, coal, oil and gas burning apparatus, pipes, pumps,

plumbing, radiators, sinks, bath tubs, water closets, refrigerators, gas and electrical fixtures, communications apparatus, stoves, ranges, shades, screens, awnings, vacuum cleaning system, and sprinkler system or other fire prevention or extinguishing apparatus and materials, all of which shall be deemed to be, remain and form a part of the Mortgaged Facility and are covered by the lien of this Mortgage; excluding, however, the Participant's Property (as defined in Section 4.1(c) of the Installment Sale Agreement) from the lien of this Mortgage.

III

All property insurance proceeds, awards, payments and other compensation payments, including interest thereon, and the right to receive the same, which are heretofore or hereafter made with respect to the Mortgaged Facility as a result of or in lieu of any taking by eminent domain (including any transfer made in lieu of the exercise of said right), the alteration of the grade of any street, or any other damage or injury to or decrease in the value of the Mortgaged Facility or the occurrence of any Loss Event (as defined in Section 5.1 of the Installment Sale Agreement), to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment, subject to the terms of the Indenture and the Installment Sale Agreement as to the application of all such amounts so received.

IV

All right, title and interest of the Debtor and the Agency in and to the Installment Sale Agreement, including all installment purchase payments, revenues and receipts payable or receivable thereunder, excluding, however, the Agency's Reserved Rights, which Agency Reserved Rights may be enforced by the Agency or the Trustee, jointly or severally.

V

All right, title and interest of the Debtor and the Agency in and to the Company Lease.

VI

All moneys and securities from time to time held by the Trustee under the terms of the Indenture including amounts set apart and transferred to the Project Fund, the Bond Fund, the Renewal Fund, the Earnings Fund, the Debt Service Reserve Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from such funds in accordance with the provisions of the Installment Sale Agreement and the Indenture (and when so disbursed, such amounts shall automatically be released from the assignment, pledge, lien and security interest of this Mortgage); provided, however, there is hereby expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund.

VII

All right, title and interest of the Debtor and the Agency in and to (a) any and all present and future leases of space in any building(s) on or to be erected upon the Mortgaged Facility Realty; (b) any and all present and future subleases of space in any building(s) on or to be erected upon the Mortgaged Facility Realty; (c) all rents, issues and profits payable under any such leases and subleases; (d) any contracts for the sale (other than the Installment Sale Agreement) of all or any portion of the Mortgaged Facility Realty or any building(s) or portions thereof on or to be erected upon the Mortgaged Facility Realty ("sale contracts"); and (e) any interest of the Debtor in contracts, agreements or other arrangements with architects, engineers and other professionals responsible for the design and supervision of the construction of the Project. Nothing in this paragraph is intended to constitute the consent of the Mortgagee or the Bondholders to any such leases, subleases or sale contracts.

VIII

All right, title and interest of the Debtor and the Agency in all proceeds of any unearned premiums on any insurance policies (other than liability insurance policies) concerning the Mortgaged Facility, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damages to the Mortgaged Facility, subject, however, to the terms of the Indenture and the Installment Sale Agreement.

IX

All the right, in the name and on behalf of the Debtor and the Agency, to appear in and defend any action or proceeding brought with respect to the Mortgaged Facility and to commence any action or proceeding to protect the interest of the Mortgagee in the Mortgaged Facility.

X

Any and all air rights, development rights, zoning rights or other similar rights or interests which benefit or are appurtenant to the Mortgaged Facility and any proceeds arising therefrom.

XI

Any and all further estate, right, title, interest, property, claim and demand whatsoever of the Debtor and the Agency in and to any of the above; excluding, however, the Agency's Reserved Rights, which rights may be enforced by the Agency and the Mortgagee jointly and severally.

XII

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Debtor and the Agency

or by any other Person with or without the consent of the Debtor and the Agency, to the Mortgagee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

XIII

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended so to be, to the Mortgagee and its successors and to them and their assigns forever;

THIS MORTGAGE secures the payment, performance and observance of the Obligations and shall continue in full force and effect until the Obligations shall be paid and satisfied in full or otherwise provided for in accordance with their respective terms.

AGENCY AND DEBTOR HEREBY represent, warrant, covenant and agree with the Mortgagee as set forth below (provided that the Agency and the Debtor represent, warrant, covenant and agree, as between the Agency and the Debtor, only with respect to the representations, warranties, covenants and agreements of each and not of the other):

Section 1. Representations and Warranties of Debtor. (a) The Debtor represents and warrants that it is a not-for-profit corporation duly incorporated and in good standing in the State of New York, has power to enter into and perform this Mortgage and to own its corporate property and assets, has duly authorized the execution and delivery of this Mortgage by proper corporate action, and neither this Mortgage, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law, any order of any court or agency of government or any agreement, indenture or other instrument to which the Debtor is a party or by which it or any of its property is subject to or bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any indenture, agreement or other instrument or any provision of its certificate of incorporation, bylaws, or any other requirement of law.

(b) The Debtor represents and warrants that this Mortgage constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, except that the enforceability thereof may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) The Debtor represents and warrants that the Debtor has good and marketable fee simple title to the Mortgaged Property and that the Agency is vested with a good and marketable leasehold interest in the Mortgaged Facility under the Company Lease, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

Section 2. Representations and Warranties of the Agency. The Agency represents and warrants that it has power to enter into and perform this Mortgage, to create, pledge and grant the mortgage, pledge, assignment and security interest in the Mortgaged Property as provided in this Mortgage and to own its property and assets, has duly authorized the execution and delivery of this Mortgage by proper corporate action and neither this Mortgage, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law, any order of any court or agency of government or any agreement, indenture or other instrument to which the Agency is a party or by which it or any of its property is subject to or bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any indenture, agreement or other instrument or any provision of its by-laws or any other requirement of law. This Mortgage constitutes the legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms, except that the enforceability thereof may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 3. Payment, Performance, Observance and Compliance. The Debtor agrees to pay, perform, observe and comply with such of the Obligations to which it shall respectively be subject (including this Mortgage) upon the terms and provisions required of the Debtor therein. The Agency agrees to perform, observe and comply with each of the Obligations to which it shall be subject (including this Mortgage) upon the terms and conditions required of the Agency therein.

Section 4. Security Agreement. This Mortgage is and shall be deemed to be a security agreement under the New York State Uniform Commercial Code with respect to the Mortgaged Property and the Mortgagee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to herein as the "Secured Property"). Upon request by the Mortgagee, the Agency, at the sole cost and expense of the Debtor, and the Debtor, shall execute and deliver to the Mortgagee any security agreement, financing or continuation statement or other document the Mortgagee reasonably deems necessary to protect or perfect its lien on the Mortgaged Property. If the Agency or the Debtor shall default under this Mortgage, the Mortgagee, in addition to any other rights and remedies that it may have (but subject, in the case of the Agency, to Section 5 hereto), shall have and may exercise immediately and without demand any and all rights and remedies granted to a secured party upon default under the New York State Uniform Commercial Code, including the right to take possession of the Secured Property or any part thereof or indicia thereof, and to take such other measures as the Mortgagee may deem necessary for the care, protection and preservation of the Secured Property. Upon request or demand of the Mortgagee, the Debtor shall, at the Debtor's sole expense, assemble the Mortgaged Facility Equipment or other Secured Property and make it available to the Mortgagee at a convenient place acceptable to the Mortgagee. The Debtor shall pay to the Mortgagee on demand all expenses, including reasonable legal expenses and attorneys' fees and expenses, incurred or paid by the Mortgagee in protecting its interest in the Secured Property and in enforcing its rights hereunder with respect to the Secured Property. Any notice of sale, other

disposition, or other intended action by the Mortgagee with respect to the Secured Property sent to the Debtor and the Agency in accordance with the provisions of this Mortgage at least seven (7) days prior to the date of any such sale, other disposition, or other intended action set forth or specified in the notice shall conclusively be deemed to be commercially reasonable within the meaning of the New York State Uniform Commercial Code unless objected to in writing by the Debtor or the Agency within five (5) days after receipt by the Debtor and the Agency of the notice. The proceeds of any sale or other disposition of the Secured Property, or any part thereof, shall be applied to the payment of the Obligations as provided in Section 37 hereof.

Section 5. Limitation on Agency Liability. With respect to the Agency, it is agreed that the Agency, its officers, members, employees, agents and directors shall have no personal liability hereunder or under the Bonds, nor in their capacity as officers, members, employees, agents and directors. The Agency has executed this Mortgage to subject its interests in the Mortgaged Property to the lien of this Mortgage; however, the Mortgagee shall have no recourse to the Agency other than to the Trust Estate. No provision, covenant or agreement contained in this Mortgage or any obligations herein imposed upon the Agency or the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Mortgage, the Agency has not obligated itself except with respect to the Mortgaged Property. All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or any of the Obligations or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing this Mortgage. No covenant herein contained shall be deemed to constitute a debt of the State of New York or of Orange County, and neither the State of New York nor Orange County shall be liable on any covenant herein contained, nor shall the obligations secured by this Mortgage be payable out of any funds of the Agency other than those pledged therefor.

Section 6. Release of Property. Reference is made to the provisions of the Installment Sale Agreement, including without limitation Sections 4.2 and 6.4 thereof, whereby the Debtor may withdraw certain personal property from the Mortgaged Facility Equipment or withdraw from the Mortgaged Facility Realty any fixtures or any right-of-way, easement, permit or license or unimproved portion thereof, all upon compliance with the terms and conditions of the Installment Sale Agreement. At the request of the Debtor, the Mortgagee shall release from the lien and security interest of this Mortgage and from under the Company Lease and the Installment Sale Agreement such portion of the property of the Mortgaged Facility so withdrawn upon compliance with the provisions of the Installment Sale Agreement and shall confirm any such release.

Section 7. Performance of Covenants; Authority. The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions with respect to the Agency contained in this Mortgage, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining

thereto, subject to Section 5 hereof. The Agency covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds secured hereby and to execute this Mortgage and the Indenture, to sell its leasehold interest in the Mortgaged Facility under the Company Lease pursuant to the Installment Sale Agreement, to mortgage and grant a security interest in the Mortgaged Property, and to assign the agreements and to pledge the revenues hereby assigned and pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Mortgage has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Agency according to the import thereof, subject to Section 5 hereof.

Section 8. Creation of Liens; Indebtedness; Sale of Mortgaged Facility. The Debtor represents and covenants that this Mortgage is and will be a first lien upon the Mortgaged Property, subject only to Permitted Encumbrances. The liens of the Installment Sale Agreement, the Company Lease and the Indenture are subject and subordinate to the lien of this Mortgage. Neither the Debtor nor the Agency shall create or suffer to be created any lien or charge upon or pledge of the Mortgaged Property except the lien, charge and pledge created by this Mortgage and Permitted Encumbrances. Neither the Agency nor the Debtor shall incur any indebtedness and issue any evidences of indebtedness, other than the Obligations, secured by a lien on or pledge of such Mortgaged Property, except for Permitted Encumbrances or as set forth in the Installment Sale Agreement. The Debtor further covenants and agrees not to sell, convey, transfer, lease, mortgage or encumber the Mortgaged Facility or any part thereof except as specifically permitted under the Installment Sale Agreement, the Indenture, this Mortgage and Permitted Encumbrances, so long as any of the Obligations are Outstanding.

Section 9. Ownership; Instruments of Further Assurance. The Mortgagee on behalf of the Debtor and the Agency (at the sole cost and expense of the Debtor) shall defend the respective interest of the Debtor and the Agency to the Mortgaged Property and every part thereof for the benefit of the Holders of the Bonds, and the Debtor agrees to warrant and defend such respective interest, against the claims and demands of all Persons whomsoever. The Debtor and the Agency covenant that they will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto and such further acts, instruments and transfers as the Mortgagee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Mortgagee all and singular the property herein described and subject to the lien and security interest of this Mortgage and those revenues pledged hereby and by the Indenture to the payment of the Obligations. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Agency, the Debtor or the Mortgagee, become and be subject to the lien and security interest of this Mortgage as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Debtor and the Agency heretofore made by this Section 9.

Section 10. Recording and Filing. (a) The Agency shall cause this Mortgage and all supplements hereto to be recorded (at the sole cost and expense of the Debtor) as a mortgage of an interest in real property in the office of the Clerk-Recorder of Orange County or

in such other office(s) as may be at the time provided by law as the proper place for the recordation thereof. In addition, the security interest of the Mortgagee, as created by this Mortgage, in the personal property and fixtures and the rights and other intangible interests herein described, shall be perfected by the filing of financing statements at the direction of the Agency (at the sole cost and expense of the Debtor) in the office of the Secretary of State in the City of Albany, New York, and in the office of the Clerk-Recorder of Orange County, which financing statements shall be in accordance with the New York State Uniform Commercial Code - Secured Transactions. Subsequent to the foregoing recordation and filings, this Mortgage shall be rerecorded and reindexed, and financing and continuation statements shall be filed and refiled in connection therewith, by the Trustee whenever in the Opinion of Counsel such action is necessary to preserve the lien and security interest thereof; and in addition, continuation statements with respect to financing statements shall be filed and refiled by the Trustee in said office of the Secretary of State and in the office of the County Clerk-Recorder in accordance with the New York State Uniform Commercial Code-Secured Transactions so as to preserve the lien and security interest of this Mortgage. The Debtor agrees to furnish the Agency and the Mortgagee with the Opinion of Counsel addressed to the Agency and the Mortgagee referred to in Section 7.08 of the Indenture. Any such rerecordings, reindexings, filings or refilings shall be prepared by the Debtor and accompanied with any fees or requisite charges. All mortgage recording taxes, if any, and filing and recording charges and fees shall be payable by the Debtor.

(b) The Agency, the Debtor and the Mortgagee acknowledge that, as of the date of the execution and delivery of this Mortgage (the "Closing Date"),

(i) Section 9-515(b) of the New York State Uniform Commercial Code-Secured Transactions provides that an initial financing statement filed in connection with a "public-financed transaction" is effective for a period of 30 years after the date of filing if such initial financing statement indicates that it is filed in connection with a public financed transaction,

(ii) Section 9-102(67) of the New York State Uniform Commercial Code-Secured Transactions defines a public-finance transaction as a secured transaction in connection with which, in substance, (x) bonds are issued, (y) all or a portion of the bonds have an initial stated maturity of at least 20 years, and (z) the debtor, obligor, secured party or assignee with respect to the collateral or secured obligation is a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Bonds, and because the Bonds are municipal securities with a term that is at least 20 years, but not greater than 30 years, in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the liens and security interests that they create.

(c) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Agency shall have the right to designate a company (which shall be reasonably acceptable to the Mortgagee) to facilitate the filing of the Uniform Commercial Code financing statements.

(d) The Debtor and the Mortgagee (on behalf of themselves and the Bondholders) acknowledge and agree that neither the Agency nor the Mortgagee, nor any of their respective directors, members, officers, employees, servants, agents, persons under their respective control or supervision, or attorneys (including Bond Counsel to the Agency), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(e) All costs (including reasonable attorneys' fees and expenses) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the Debtor.

(f) The Debtor agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Agency and the Mortgagee to comply with this Section and with Section 7.08 of the Indenture, including but not limited to, providing prompt notice to the Mortgagee of any change in the Debtor's name or address. The Debtor agrees that the Agency and the Mortgagee, if permitted by applicable law, may provide for the re-recording of the Indenture or any other Project Document or the filing or re-filing of continuation statements without the cooperation of the Debtor as necessary at the Debtor's sole cost and expense.

Section 11. Acknowledgment of Amount Due. The Debtor shall, upon request, furnish to the Mortgagee, in person within five (5) days, or, by mail within ten (10) days, a written statement duly acknowledged of the amount due under this Mortgage and whether any offsets or defenses exist against the Obligations.

Section 12. Applicability of Section 13 of the Lien Law. This Mortgage is given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Mortgaged Property subsequent to the recordation hereof. The Agency and the Debtor shall, therefore, in compliance with Section 13 of the New York Lien Law, receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvements of the Mortgaged Facility and shall apply the same first to the payment of the cost of the improvements of the Mortgaged Facility before using any part of the total of the same for any other purpose.

Section 13. Protective Action. The Mortgagee may take such action as the Mortgagee deems appropriate to protect the Mortgaged Property or the status or priority of the

lien of this Mortgage thereon including, but not limited to, entry upon the Mortgaged Facility to protect it from deterioration or damage, or to cause the Mortgaged Property to be put in compliance with any governmental, insurance rating or contract requirements; payments of amounts due on liens having priority over this Mortgage if such lien constitutes a default pursuant to this Mortgage; payment of any tax or charge for purposes of assuring the priority or enforceability of this Mortgage if failure to pay such tax by the Debtor is a default pursuant to this Mortgage; obtaining insurance on the Mortgaged Property or commencement or defense of any legal action or proceeding to assert or protect the validity or priority of the lien of this Mortgage. The Debtor agrees to reimburse the Mortgagee for all expenses in taking any such action, on demand, with interest at a rate being the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate permitted under the applicable usury law, and the amount thereof shall be secured by this Mortgage and shall, to the extent permitted by law, be in addition to the maximum amount of the Obligations heretofore stated.

Section 14. After-Acquired Property. All right, title and interest of the Debtor and the Agency in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions, accessions and appurtenances to, the Mortgaged Property (other than trade fixtures), or any part thereof, hereafter acquired, constructed, assembled or placed by or at the direction of the Agency or the Debtor on or in the Mortgaged Facility (other than trade fixtures), and all conversions and proceeds of the security constituted thereby, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance or assignment or other act of the Agency or the Debtor, shall become subject to the security and lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Agency and specifically described in the Granting Clauses hereof; but at any and all times the Agency (at the sole cost and expense of the Debtor) and the Debtor, on demand, will execute, acknowledge, deliver to the Mortgagee and the Debtor will cause to be recorded or filed as provided in Section 10 hereof, any and all such further assurances and mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purposes of expressly and specifically subjecting the same to the security and lien of this Mortgage.

Section 15. Benefit of Section 254 of the Real Property Law. Nothing herein contained shall be construed as depriving the Mortgagee of any right or advantage available under Section 254 of the Real Property Law of the State of New York, but all covenants herein differing therefrom shall be construed as conferring additional and not substitute rights and advantages.

Section 16. [Reserved]

Section 17. Additional Taxes or Charges. If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on this Mortgage, the Debtor will pay such tax, with interest and penalties thereon, if any. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to this Mortgage or any of the other Project Documents, the Debtor agrees to pay for the same, with interest and penalties thereon, if any. Nothing contained in this

Section 17 shall obligate the Debtor to indemnify for any income tax liability arising by reason of this Mortgage.

Section 18. Subordination. This Mortgage is subject and subordinate in all respects to the lien of the mortgage to the Facilities Development Corporation recorded on _____ in Book _____ at Page _____ in the County Clerk's Office and that the Dormitory Authority of the State of New York has succeeded to the assets, powers, duties, and functions of the Facilities Development Corporation.

Section 19. Usury Laws. This Mortgage and all other Project Documents are subject to the express condition that at no time shall the Agency or the Debtor be obligated or required to pay interest on the principal balance due under the Obligations at a rate which could subject the holder of the Obligations to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Agency or the Debtor, as applicable, are permitted by law to contract or agree to pay. If by the terms of this Mortgage or any of the other Project Documents, the Agency or the Debtor are at any time required or obligated to pay interest on the principal balance due under the Obligations at a rate in excess of such maximum rate, the rate of interest under the Obligations shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate.

Section 20. Sole Discretion of the Mortgagee. Wherever pursuant to this Mortgage, the Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of the Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of the Mortgagee and shall be final and conclusive.

Section 21. Recovery of Sums Required To Be Paid. The Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitutes a part of the Obligations as the same becomes due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Agency or the Debtor existing at the time such earlier action was commenced.

Section 22. Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Debtor to pay any amount that has become due and payable hereunder and continuance of such failure for a period of two (2) days after written notice has been given to the Agency and the Debtor specifying the nature of such default by the Mortgagee;

(b) Failure of the Debtor or the Agency to observe and perform any covenant, condition or agreement hereunder on their respective part to be performed (except as set forth in Section 22(a) above) and (1) continuance of such failure for a period of thirty (30) days after written notice has been given to the Debtor and the Agency specifying the nature of such default by the Mortgagee, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Debtor and the Agency fail to proceed with reasonable

diligence after receipt of said notice to cure the same or fail to continue with reasonable diligence their efforts to cure the same;

(c) The Debtor shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) take any action for the purpose of effecting any of the foregoing, or (vii) be adjudicated a bankrupt or insolvent by any court;

(d) A proceeding or case shall be commenced, without the application or consent of the Debtor, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Debtor, or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days or fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code, or any order for relief against the Debtor, shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" as used above shall not be construed to prohibit any action otherwise permitted under the Project Documents;

(e) The Agency or the Debtor shall be in default under any other mortgage covering any part of the Mortgaged Property and proceedings shall have been commenced to foreclose such mortgage, whether it be superior or inferior to the lien of this Mortgage;

(f) Any warranty, representation or other statement made or given by or on behalf of the Agency or the Debtor to the Mortgagee contained in this Mortgage or in any other Project Document is false, misleading or incorrect in any material respect as of the date made; or

(g) An "Event of Default", (i) under Section 8.01(a)(i), (ii) or (iii) of the Indenture or (ii) under any Project Document to which the Debtor is a party, shall occur and be continuing.

Section 23. Remedies. Upon the occurrence of an Event of Default hereunder, the Mortgagee may, in addition to any other rights or remedies available to it hereunder or elsewhere, take such action, without notice or demand, as it deems advisable to protect and enforce its rights against the Agency (subject to the provisions of Section 5 hereof), the Debtor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the

Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(a) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Agency and the Debtor and their respective agents and servants therefrom, and thereupon the Mortgagee may:

- (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;
- (ii) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Mortgagee deems advisable;
- (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property;
- (iv) exercise all rights and powers of the Agency with respect to the Mortgaged Property (subject to the terms and conditions of the Indenture relating to the Agency's Reserved Rights), whether in the name of the Agency or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof; and
- (v) apply the receipts from the Mortgaged Property to the payment of the Obligations in accordance with Section 8.04 of the Indenture;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing security and lien of this Mortgage for the balance of the Obligations not then due;

(c) institute proceedings to foreclose the lien of this Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(d) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Agency and the Debtor therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that ten (10) days notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Mortgagee may determine or as may be required by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein;

(f) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose this Mortgage;

(g) take possession of the Mortgaged Property (which shall, to the extent practicable, be assembled and made available to the Mortgagee by the Debtor at such place in Orange County or elsewhere as may be required by the Mortgagee) and otherwise exercise any and all of the rights of secured parties under the New York State Uniform Commercial Code-Secured Transactions; or

(h) pursue such other remedies as the Mortgagee may have under applicable law.

Section 24. Appointment of a Receiver. Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the appointment of a receiver. The right to have a receiver appointed shall be a matter of strict right and without regard to the value or occupancy of the security and such receiver may enter upon and take possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers as a receiver may have under the laws of the State of New York. The expenses, including, without limitation, receiver's fees, counsel fees and expenses, costs and agent's commissions and compensation incurred pursuant to the powers herein granted shall be added to the principal portion of the Obligations and secured hereby.

Section 25. Foreclosure. In a case of a foreclosure sale or pursuant to any order in any judicial proceeding or otherwise, the Mortgaged Property may be sold as an entirety in one parcel (or as one integrated unit) or separate parcels (or one or more of the interests comprising the Mortgaged Property separately from the others) in such manner or order as the Mortgagee in its sole and absolute discretion may elect. If the Mortgagee so elects it may sell the remainder of the property except for the land, buildings and improvements, at one or more separate sales in the manner provided by the Uniform Commercial Code of the State of New York. One or more exercises of the powers herein granted shall neither extinguish nor exhaust such powers, until the entire property is sold or the Obligations secured hereby are paid in full or otherwise provided for in accordance with their terms.

Section 26. No Merger. It is the intention of this Mortgage that if the Mortgagee shall at any time hereafter acquire title to all or any portion of the Mortgaged Property, or any interest therein or lien thereon under any other mortgage or instrument, then, and until the Obligations have been paid in full or otherwise discharged or satisfied in accordance with their terms, the interest of the Mortgagee hereunder and the security interest created by this Mortgage shall not merge or become merged in or with the estate and interest of the Mortgagee as the holder of and owner of title to all or any portion of the Mortgaged Property, or in or with the interest of the Mortgagee under or the lien of such other mortgage or instrument,

and that, until such payment, discharge or satisfaction, the estate of the Mortgagee in the Mortgaged Property and the security interest created by this Mortgage and the interest of the Mortgagee hereunder shall continue in full force and effect to the same extent as if the Mortgagee had not acquired title to all or any portion of the Mortgaged Property or any other interest therein or lien thereon. If, however, the Mortgagee shall consent to such merger or if such merger shall nevertheless occur without its consent, then this Mortgage shall attach to, and cover and be a conveyance of the fee title or any other estate, title or interest in the Mortgaged Property acquired by the fee owner, and the same shall be considered as granted, released, assigned, transferred, pledged, conveyed and set over to the Mortgagee and this Mortgage spread to cover such estate with the same force and effect as though specifically herein granted, released, assigned, transferred, pledged, conveyed, set over and spread, provided, however, the Debtor shall pay any and all transfer, recording or other taxes in connection therewith.

Section 27. This Mortgage Constitutes A Commercial Transaction. THE DEBTOR ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ITS RIGHTS TO NOTICE AND HEARING AS ALLOWED UNDER ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT WHICH THE MORTGAGEE MAY DESIRE TO USE. FURTHER, THE DEBTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, HOMESTEAD, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS.

Section 28. Non-Impairment. No provision of this Mortgage: (a) is or shall be deemed to be a release or impairment of any of the Obligations including this Mortgage, (b) shall preclude the Mortgagee, upon the occurrence of an Event of Default hereunder, from foreclosing this Mortgage or from enforcing its rights hereunder or under any other instrument governing or securing the Obligations, (c) shall preclude or bar the Mortgagee upon foreclosure from obtaining a deficiency judgment against the Debtor, against any subsequent owner of the Mortgaged Property who assumes the Obligations on a non-recourse basis, or against any other Person liable for the payment and performance of the Obligations (subject to the provisions of Section 5 hereof), (d) shall require the Mortgagee to accept a part of the Mortgaged Property (as distinguished from its entirety) as payment of the debt secured hereby, or (e) shall compel the Mortgagee to accept or allow any apportionment of the debt secured hereby to or among any separate parts of the Mortgaged Property.

Section 29. No Remedy Exclusive. No remedy conferred upon or reserved to the Mortgagee hereunder is or shall be deemed to be exclusive of any other available remedy or remedies. Each such remedy shall be distinct, separate and cumulative, shall not be deemed to be inconsistent with or in exclusion of any other available remedy, may be exercised in the discretion of the Mortgagee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Mortgagee under this Mortgage or any other Project Documents or now or hereafter existing in favor of the Mortgagee at law or in equity or by statute. Without limiting the generality of the foregoing, the Mortgagee shall have the right to exercise any available remedy to recover any amount due and payable

hereunder without regard to whether any other amount is due and payable, and without prejudice to the Mortgagee to exercise any available remedy for other Events of Default existing at the time the earlier action was commenced.

Section 30. Delay To Not Constitute Waiver. Any delay, omission or failure by the Mortgagee to insist upon the strict performance by the Agency and the Debtor of any of the covenants, conditions and agreements herein set forth to be exercised by them or to exercise any right or remedy available to it upon the occurrence of an Event of Default hereunder shall not impair any such right or remedy or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, by injunction or other appropriate legal or equitable remedy, strict compliance by the Agency and the Debtor with all of the covenants, conditions and agreements herein to be exercised by them, or of the right to exercise any such rights or remedies if such default by the Agency or the Debtor be continued or repeated. Any failure of the Mortgagee to exercise the option to accelerate the maturity of Obligations secured hereby, or any forbearance by the Mortgagee before or after any exercise of any such option, or any forbearance to exercise any other remedy of the Mortgagee, or any withdrawal or abandonment of the Mortgagee of any of its rights in any one circumstance shall not be construed as a waiver of any option, power, remedy or right of the Mortgagee hereunder. The rights and remedies of the Mortgagee expressed and contained in this Mortgage are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Mortgagee may now or hereafter have in law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or case law. The covenants of this Mortgage shall run with the Mortgaged Property and other properties and the estates hereby mortgaged and bind the Agency and the Debtor and their respective assigns, legal representatives and successors and shall inure to the benefit of the Mortgagee, its successors and assigns.

Section 31. Effect of Discontinuance of Proceedings. In case any proceedings taken by the Mortgagee on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Mortgagee, then and in every such case, the Agency, the Debtor, the Mortgagee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Mortgagee shall continue as in effect prior to the commencement of such proceedings.

Section 32. Marshalling. The Agency and the Debtor waive and release any right to have the Mortgaged Property marshaled.

Section 33. Actions and Proceedings. The Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding which the Mortgagee, in its discretion, determines to be brought to protect its interest in the Mortgaged Property. The Mortgagee shall further have the right, from time to time, to sue for any sums required to be paid under the terms of this Mortgage or any other mortgage to which this Mortgage is expressly subordinate, as the same become due, without regard to whether or not the principal sums secured or any other sums secured by this Mortgage shall be due and without prejudice to the right of the Mortgagee thereafter to bring an

action of foreclosure or any other action for a default or defaults by the Agency or the Debtor existing at the time such earlier action was commenced.

Section 34. Attorneys' Fees and Other Costs. The Debtor agrees to bear all costs, fees and expenses including court costs and reasonable expenses (including reasonable attorneys' fees and disbursements) for legal services of or incidental to the enforcement of any provisions hereof (whether incurred by the Mortgagee or any Holders of the Bonds), or enforcement, compromise or settlement of any of the collateral pledged hereunder, and for the curing thereof, or defending or asserting the rights and claims of the Mortgagee in respect thereof, by litigation or otherwise, and will pay to the Mortgagee any such expenses incurred, and such expenses shall be deemed part of the Obligations secured by this Mortgage and shall be collectible in like manner as the Obligations secured by this Mortgage, and until so paid shall bear interest at a rate being the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate permitted under the applicable usury law. All rights and remedies of the Mortgagee shall be cumulative and may be exercised singly or concurrently.

Section 35. Consents. Wherever in this Mortgage the prior consent of the Mortgagee is required, the consent of the Mortgagee given as to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Any such consents shall be in writing.

Section 36. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Mortgage should be breached by the Agency or the Debtor and thereafter waived by the Mortgagee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the Mortgagee. No course of dealing between the Agency and/or the Debtor and/or any other Person or any delay or omission on the part of the Mortgagee in exercising any rights hereunder shall operate as a waiver.

Section 37. Application of Proceeds. All proceeds derived through the exercise of any remedies or the commencement of any proceedings under this Mortgage shall be applied, first, in accordance with Section 8.04 of the Indenture and, second, in accordance with the Bond Insurance Agreement.

Section 38. Waiver of Moratorium. The Debtor and the Agency will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, or the exemption from execution from sale of any or all of the property, now or any time hereafter enacted or enforced, nor claim, take or insist upon the benefit of any law now or hereafter enacted or enforced providing for the valuation or appraisal of the Mortgaged Property or any part thereof prior to any sale or sales thereof which may be made pursuant to any provisions herein or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted or enforced to redeem the property so sold or any part thereof. The Debtor and the Agency hereby expressly waive the benefit or advantage of any such law or laws and covenants not to delay or impede the execution of any power herein granted or delegated to the Mortgagee.

Section 39. Waiver of Notice. The Agency and the Debtor shall not be entitled to any notices of any nature whatsoever from the Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by the Mortgagee to the Agency and the Debtor, and the Agency and the Debtor hereby expressly waive the right to receive any notice from the Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of such notice.

Section 40. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, Federal Express, or other reputable courier service, or by postage prepaid registered or certified mail, return receipt requested, and shall (except to the extent otherwise expressly provided herein) be deemed to have been given and received (whether actually received or not) (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) Business Days after being post-marked if sent by registered or certified mail, return receipt requested, addressed to the parties hereto as hereinafter provided, or to such other substitute address and/or addressee as any party hereto shall designate by written notice to the other party in accordance with the terms of this Section 40; provided, however, that no such notice of change of address and/or addressee shall be effective unless and until actually received by the party to whom such notice is sent. Any notice required to be sent to the Agency or the Debtor, or any notice including process, pleadings or other papers served upon them shall at the same time, be sent in the manner set forth above in this Section to the Agency at 255-275 Main Street, County Government Center, Goshen, New York 10924, Attention: General Counsel, with a copy to the Administrative Director of the Agency at the same address, and to the Debtor at the Debtor's Notice Address, or to such other alternate address as may be furnished by the Agency or the Debtor to the Mortgagee in writing. A copy of each such notice also shall be required to be sent to the Debtor's Counsel, Nolan & Heller, LLP, 39 North Pearl Street, Albany, New York 12207, Attention: Robert G. Wakeman, Esq.

Section 41. Agency is Executing Mortgage at Debtor's Direction. The Debtor directs the Agency to execute and deliver this Mortgage to the Mortgagee and consents and agrees to be bound by the terms hereof to the extent of Debtor's present or future interest in the Mortgaged Property and hereby executes this Mortgage to evidence its agreement to comply with the covenants contained herein, and further agrees to indemnify the Agency (and its members, officers, directors, agents, servants and employees) in connection with the execution, delivery, recording, performing and enforcing of this Mortgage.

Section 42. Mortgage for Benefit of Agency, Debtor and Mortgagee. The covenants and agreements contained in this Mortgage (including all indemnities set forth herein) shall run with the land and bind the Agency and the Debtor, and their respective heirs, executors, administrators, legal representatives, successors and assigns and each Person constituting the Agency or Debtor, and all subsequent owners, encumbrances and tenants of the Mortgaged Property, or any part thereof, and shall inure to the benefit of the Mortgagee, its respective successors and assigns, and all subsequent beneficial owners of this Mortgage, and the Holders of the Bonds, and survive the foreclosure of this Mortgage.

Section 43. Authorization. The execution of this Mortgage has been duly authorized by the board of directors of the Agency and the Board of Directors of the Debtor.

Section 44. Amendments and Modifications. This Mortgage shall be amended, modified or supplemented only by a written agreement executed by the Agency, the Debtor and the Mortgagee and, in any event, only in accordance with the Indenture.

Section 45. Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles thereof.

Section 46. Date of Mortgage for Reference Purposes Only. The date of this Mortgage shall be for reference purposes only and shall not be construed to imply that this Mortgage was executed on the date first above written. This Mortgage was executed and delivered on the date of the original issuance and delivery of the Bonds.

Section 47. Incorporation of Certain Indenture Provisions. All provisions of Article IX of the Indenture shall be construed as extending to and including all of the rights, duties and obligations imposed upon the Trustee under this Mortgage as fully and for all purposes as if said Article IX were contained in this Mortgage.

Section 48. Entire Agreement; Counterparts. This Mortgage constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof (other than any Project Documents) and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 49. Severability. If any provision of this Mortgage shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions hereof.

Section 50. Waiver of Jury Trial. The Debtor hereby waives the right to assert a counterclaim in any action or proceeding brought against it by the Mortgagee, and waives trial by jury in any action or proceeding brought by any party hereto against the other or in any counterclaim asserted by the Mortgagee against the Debtor, or in any matters whatsoever arising out of or in any way connected with this Mortgage or the Obligations.

Section 51. Notice of Event of Default. The Debtor shall immediately notify the Mortgagee in writing of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this section shall be signed by the Debtor and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken to cure a default, the notice should plainly state this fact.

Section 52. Assignment of Leases and Rents. (a) The Debtor hereby assigns to the Mortgagee the rents, issues and profits of the Mortgaged Facility Realty (other than any amounts paid pursuant to the Installment Sale Agreement) as further security for the payment of

the Obligations, and the Debtor grants to the Mortgagee the right to enter upon and to take possession of the Mortgaged Facility Realty for the purpose of collecting the same and to let the Mortgaged Facility Realty or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the Obligations are paid. The Mortgagee hereby waives the right to enter upon and to take possession of the Mortgaged Facility Realty for the purpose of collecting said rents, issues and profits, and the Debtor shall be entitled to collect and receive said rents, issues and profits and to apply same in payment of the amounts becoming due on the Obligations and operating expenses related to the Mortgaged Facility until the occurrence of an Event of Default hereunder. The Debtor will not, without the written consent of the Mortgagee, receive or collect rent from any tenant of the Mortgaged Facility Realty or any part thereof for a period of more than one month in advance. Upon the occurrence of an Event of Default hereunder, the Debtor will pay monthly in advance to the Mortgagee, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Mortgaged Facility Realty or of such part thereof as may be in the possession of the Debtor, and upon default in any such payment will vacate and surrender the possession of the Mortgaged Facility Realty to the Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings.

(b) The Debtor shall not, without the prior written consent of the Mortgagee, make, or suffer to be made, any leases or cancel or modify any leases or accept prepayments of installments of rent for a period of more than one month in advance or further assign the whole or any part of the rents without the prior written consent of the Mortgagee. No lease or contract (other than the Installment Sale Agreement) covering all or any part of the Mortgaged Property shall be valid or effective without the prior written approval of the Agency and the Mortgagee. The Mortgagee shall have all of the rights against lessees of the Mortgaged Property as set forth in Section 291-f of the Real Property Law of New York. In respect of any lease, the Debtor will (i) fulfill or perform each and every provision thereof on its respective part to be fulfilled or performed; (ii) promptly send copies of all notices of default which it shall send or receive thereunder to the Mortgagee, and (iii) enforce, short of termination thereof, the performance or observance of the provisions thereof. Nothing contained in this Mortgage shall be deemed to impose on the Mortgagee any of the obligations of the lessor under the leases.

(c) Subject to paragraph (a) above, all leases (other than the Company Lease) must provide that the tenant thereunder shall pay to the Mortgagee upon an Event of Default hereunder all sums due under the lease upon notice to the tenant from the Mortgagee, and that the Debtor and any tenant shall, at the Mortgagee's option, furnish the Mortgagee with an estoppel and attornment letter as to the leases in form and substance acceptable to the Mortgagee.

(d) The Debtor will not waive, release, reduce, discount or otherwise discharge or assign to any person other than the Mortgagee the leasehold payments, rents, issues and profits of the Mortgaged Facility Realty (other than contemplated by the Installment Sale Agreement), or cancel, abridge or otherwise modify any lease of all or any part of the Mortgaged Facility Realty. In addition, the Debtor will observe and comply with all of its obligations as lessor under any such lease, will promptly notify the Mortgagee if either receives any default notice thereunder and forward a copy of the default notice to the Mortgagee, and enforce any

default thereunder by the tenant. The Debtor shall not, however, terminate any such lease without the prior written consent of the Mortgagee.

(e) The Debtor will furnish to the Mortgagee, within fifteen days after mailing to the Debtor of a written request therefor, a detailed statement in writing, duly sworn, and covering the period of time specified in such request, showing all income derived from the operation of the Mortgaged Facility Realty and all disbursements made in connection therewith, and containing a list of the names of all tenants of the Mortgaged Facility Realty specified in such request, showing all income derived from the operation of the Mortgaged Facility Realty and occupants other than those claiming possession through such tenants, the portion or portions of the Mortgaged Facility Realty occupied by such tenant and occupant, the rents and other charges payable under the terms of their leases or other agreements, and the periods covered by such leases or other agreements.


Section 53. Conflict with Bond Insurance Agreement. Solely as between the Debtor and the Bond Insurer, conflicts between any provision of the Bond Insurance Agreement and this Mortgage shall be resolved in favor of the Bond Insurance Agreement.

Section 54. No Liability of Debtor's Officers, Directors, Employees and Agents. It is agreed that the Debtor's officers, employees, agents and directors shall have no personal liability hereunder. All covenants, stipulations, promises, agreements and obligations of the Debtor contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Debtor and not of any director, officer, employee or agent of the Debtor in his individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or any of the Obligations or for any claim based thereon or hereunder against any director, officer, employee or agent of the Debtor or any natural person executing this Mortgage.

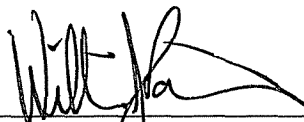
Section 55. Rights, Remedies, Approvals, etc. Are Subject to the Indenture. All rights, remedies, approvals, consents and other discretionary action on the part of the Mortgagee hereunder, including the extent to which the same can be exercised as between the Trustee and the Bond Insurer, shall be subject to the terms of Sections 7.10 and 7.11 of the Indenture, and may be taken by the Bond Insurer and the Trustee either jointly or severally.

IN WITNESS WHEREOF, the Agency and the Debtor have duly executed this Mortgage as of the date first above written.

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

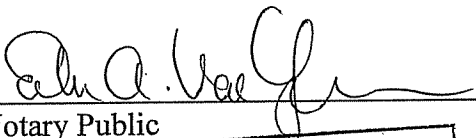
By: 
William Trimble
Administrative Director

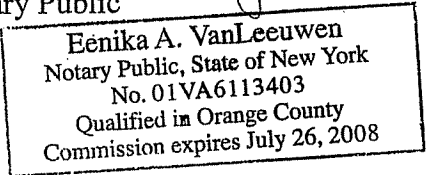
CRYSTAL RUN VILLAGE, INC.

By: 
William J. Sammis
Chief Financial Officer

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

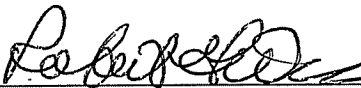
On the 9th day of June, in the year two thousand six, before me, the undersigned, personally appeared William Trimble, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.



Notary Public


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

On the 13th day of June, in the year two thousand six, before me, the undersigned, personally appeared William Sammis, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person or entity upon behalf of which the individual acted, executed the instrument.



Notary Public

ROBERT G. WAKEMAN
Notary Public, State of New York
No. 4707138
Qualified in Albany County
Commission Expires Feb. 28, 2010

APPENDIX A

“Act” shall have the meaning assigned to that term in the Indenture.

“Agency’s Reserved Rights” shall have the meaning assigned to that term in the Indenture.

“Bond Resolution” shall mean the resolution of the Agency adopted on May 17, 2006 authorizing the issuance of the Bonds.

“Bonds” shall mean the Agency’s Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), \$3,635,000 Series 2006G-1 and \$220,000 Series 2006G-2 (Federally Taxable), authorized, issued, executed, authenticated and delivered under the Indenture.

“Company Lease” shall mean the Company Lease Agreement, dated as of even date herewith, between the Debtor and the Agency, and includes any and all amendments thereof and supplements thereto.

“Debtor’s Notice Address” shall mean 601 Stony Ford Road, Middletown, New York 10941, Attention: Executive Director.

“Holders” shall have the meaning assigned to that term in the Indenture.

“Indenture” shall mean the Indenture of Trust, dated as of even date herewith, between the Agency and the Trustee, and includes any and all amendments thereof and supplements thereto.

“Installment Sale Agreement” shall mean the Installment Sale Agreement, dated as of even date herewith, between the Agency and the Debtor, and includes any and all amendments thereof and supplements thereto.

“Mortgage” shall mean this Agency Mortgage and Security Agreement from the Agency and the Debtor to the Mortgagee, and includes any and all amendments hereof and supplements hereto.

“Mortgaged Facility” shall mean, collectively, the Mortgaged Facility Equipment and the Mortgaged Facility Realty.

“Mortgaged Facility Equipment” shall mean those items of equipment or furnishings acquired in whole or in part with the proceeds of the Bonds for installation or use at the Mortgaged Facility Realty as part of the Project pursuant to Section 2.1 of the Installment Sale Agreement and described in the Description of Mortgaged Facility Equipment in the Appendices attached hereto and made a part hereof, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefore, and all parts, additions and accessories incorporated therein or affixed thereto. The Mortgaged Facility Equipment shall, in accordance with the provisions of Sections 4.2 and 5.1 of the Installment Sale Agreement, include all property substituted for or replacing items of the Mortgaged Facility Equipment and

exclude all items of the Mortgaged Facility Equipment so substituted for or replaced, and further exclude all items of the Mortgaged Facility Equipment removed as provided in Section 4.2 of the Installment Sale Agreement.

“Mortgaged Facility Realty” shall mean, collectively, the Corbett Road Facility Realty, the Carter Road Facility Realty, the Pine Tree Road Facility Realty, the Jacobs Road Facility Realty, the Route 208 Facility Realty, the Depot Street Facility Realty, the Arcadia Road Facility Realty and the Lexington Drive Facility Realty, as such terms are defined in the Installment Sale Agreement, and the land described in the Description of Mortgaged Facility Realty in the Appendices to this Mortgage, and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures (other than trade fixtures) and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 2.1 of the Installment Sale Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto; but excluding, however, any real property or interest therein released pursuant to Section 6.4 of the Installment Sale Agreement.

“Opinion of Counsel” shall have the meaning assigned to that term in the Indenture.

“Outstanding” shall have the meaning assigned to that term in the Indenture.

“Permitted Encumbrances” shall have the meaning assigned to that term in the Indenture.

“Person” shall have the meaning assigned to that term in the Indenture.

“Project” shall have the meaning assigned to that term in the Installment Sale Agreement.

“Project Documents” shall have the meaning assigned to that term in the Indenture.

“Redemption Price” shall have the meaning assigned to that term in the Indenture.

“State” shall have the meaning assigned to that term in the Indenture.

~~MORTGAGED~~
DESCRIPTION OF FACILITY REALTY

Description of Corbett Road Facility Realty

SECTION 19 BLOCK 2 LOT 72.32 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at a iron pipe found in the easterly line of Corbett Road, said point being in the division line between lands now or formerly Malley on the west, Liber 2068 Page 223, and lands to be conveyed to Crystal Run Village, Inc. on the east, and

RUNNING THENCE the following courses and distance along lands now or formerly Malley:

1. North 51 degrees 10 minutes 52 seconds East 3.02 feet to an iron pipe found, for a total distance of 213.69 feet to a survey cap found;
2. THENCE North 39 degrees 03 minutes 25 seconds West 190.00 feet to an iron rod found;
3. THENCE South 51 degrees 14 minutes 40 seconds West 58.53 feet to an iron found in lands now or formerly Parlman, Thomas, Liber 4420 Page 114 and Liber 4400 Page 96;
4. THENCE along land now or formerly Parlman, Thomas North 31 degrees 14 minutes 43 seconds West 295.44 feet to an iron pipe found in lands now or formerly Dana, Liber 3626 Page 325;
5. THENCE along land now or formerly Dana North 79 degrees 49 minutes 10 seconds East 872.62 feet to a point in a stone wall in lands now or formerly Wagner, Liber 4989 Page 248;
6. THENCE along now or formerly Wagner South 15 degrees 25 minutes 50 seconds East 239.00 feet to a point;
7. THENCE still along the aforementioned South 11 degrees 10 minutes 50 seconds East 10.66 feet to a survey cap found in a rock wall in lands now or

Continued On Next Page

DESCRIPTION OF FACILITY REALTY

Description of Corbett Road Facility Realty (continued)

formerly Joyce, Liber 5267 Page 329;

8. THENCE along now or formerly Joyce, lands now or formerly Calani, Liber 5365 Page 32, and lands now or formerly Brenner, Liber 3939 Page 163, South 58 degrees 33 minutes 46 seconds West through an iron rod found at 281.06 feet, a survey cap found at 281.06, and a survey cap found at 92.52 feet, for a total distance 654.64;

9. THENCE along lands now or formerly Brenner South 51 degrees 10 minutes 52 seconds West 210.00 feet to a survey cap in the easterly line of Corbett Road;

10. THENCE along the easterly line of Corbett Road North 38 degrees 55 minutes 09 seconds West 80.00 feet to the BEGINNING POINT.

REFERENCE: Being Lot No. 7 shown on map entitled, "Survey and Subdivision Map of Lands of William H. Collier and William H. Collier III" filed in Orange County Clerk's Office December 16, 1994, Map No. 222-94.

Excepting, therefrom so much as was conveyed by deed dated 3/2/04 recorded 3/11/04 in Liber 11418 Page 1017.

Description of Carter Road Facility Realty

SECTION 25 BLOCK 1 LOT 3.33 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at an iron rod found in the southerly line of Carter Road, said point being in the division line between lands now or formerly Fehr on the west (Lot 2) Liber 4907 Page 34, and lands to be conveyed to Crystal Run Village, Inc., on the east (Lot 3), and

RUNNING THENCE along the southerly line of Carter Road North 66 degrees 01 minute 57 seconds East 100.00 feet to a point in lands now or formerly Ratajczak, Liber 4967 Page 123;

THENCE along lands now or formerly Ratajczak South 23 degrees 48 minutes 10 seconds East 398.45 feet to an iron rod found in lands now or formerly Marion Properties, Inc., Liber 2910 Page 24;

THENCE along lands now or formerly Marion Properties, Inc., South 68 degrees 05 minutes 00 seconds West 200.00 to an iron rod found in lands now or formerly Fehr;

THENCE along lands now or formerly Fehr North 35 degrees 46 minutes 21 seconds West 312.00 to a point;

THENCE still along the aforementioned North 38 degrees 29 minutes 16 seconds 185.92 feet to the BEGINNING POINT.

REFERENCE: Being Lot No. 3 shown on map entitled, "4 Lot Minor Subdivision for Marion Properties, Inc. filed in Orange County Clerk's Office on September 4, 1992, Map No. 183-92;

Description of Pine Tree Road Facility Realty

SECTION 232 BLOCK 1 LOT 7 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at an iron found in the southerly line of Pine Tree Lane, said point being in the division line between lands now or formerly Vesilevich & Rodinkina on the east, Liber 4824 Page 48 (Lot 8), and lands to be conveyed to Crystal Run Village, Inc. on the west (Lot 7), and

RUNNING THENCE along now or formerly Vesilevich & Rodinkina South 42 degrees 22 minutes 28 seconds West 406.28 feet to a point in lands now or formerly Kopliner, Liber 3607 Page 255;

THENCE along lands now or formerly Kopliner North 36 degrees 26 minutes 02 seconds West 133.83 feet to a point;

THENCE still along the aforementioned North 34 degrees 34 minutes 09 seconds West 170.00 feet to a point in lands now or formerly Correa, Liber 3901 Page 283 (Lot 6);

THENCE along lands now or formerly Correa North 53 degrees 11 minutes 50 seconds East 251.86 to a point;

THENCE still along the aforementioned North 13 degrees 22 minutes 28 seconds East 114.23 feet to a point in the southerly line of Pine Tree Lane;

THENCE along the southerly line of Pine Tree Lane South 46 degrees 37 minutes 32 seconds East 312.13 feet to the BEGINNING POINT.

Description of Jacobs Road Facility Realty

SECTION 6 BLOCK 1 LOT 24.3 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at a point on the westerly line of Jacobs Road, said point being in the division line between lands now or formerly Moskal on the south, Liber 4653 Page 321 (Lot 2), and lands to conveyed to Crystal Run Village of the north (Lot 3), and

1. RUNNING THENCE along land or formerly Moskal North 46 degrees 17 minutes 49 seconds West, through iron pipes found on line at 97.2 feet and 207.7 feet, respectively, for a total distance of 419.62 feet to an iron pipe found in lands now or formerly Whitford Revocable Living Trust, Liber 3711 Page 47; :

2. THENCE along lands now or formerly Whitford Revocable Living Trust North 44 degrees 27 minutes 20 seconds East 218.00 feet to an iron pipe found in lands now or formerly Lombardo, Liber 4677 Page 247 (Lot 4);

3. THENCE along lands now or formerly Lombardo South 43 degrees 48 minutes 36 seconds East 414.76 feet to a point in the westerly line of Jacobs Road;

4. THENCE along the westerly line of Jacobs Road South 42 degrees 55 minutes 00 seconds West 178.63 feet to a point;

5. THENCE still the aforementioned South 43 degrees 52 minutes 00 seconds West 21.37 feet to the BEGINNING POINT.

REFERENCE: Being Lot No. 3 shown on map entitled, "Whitford Farm" filed in Orange County Clerk's Office April 11, 1988, Map No. 8810.

Description of Route 208 Facility Realty

SECTION 7 BLOCK 1 LOT 99.1 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at a point in the westerly line of State Highway Route No. 208, said point being in the division line between lands now or formerly Santagata on the south, Liber 5135 Page 1 (Lot 2) and lands to be conveyed to Crystal Run Village, Inc., on the north (Lot 1); and

RUNNING THENCE the following courses and distances along lands now or formerly Santagata:

1. North 59 degrees 43 minutes 00 seconds West 133.61 feet to a point;
2. THENCE North 51 degrees 41 minutes 00 seconds West 191.89 feet to a point;
3. THENCE North 12 degrees 32 minutes 00 seconds West 298.68 feet to a point in Parcel No. 1412 Marcy South Transmission Facilities Right-of-Way;
4. THENCE along lands now or formerly Parcel No. 1412 Marcy South Transmission Facilities Right-of Way South 80 degrees 28 minutes 30 seconds East 200.77 feet to a point;
5. THENCE still along the aforementioned South 65 degrees 06 minutes 00 seconds East 349.70 feet to a point in the westerly line of State Highway Route No. 208;
6. THENCE along the westerly line of State Highway Route No. 208 South 31 degrees 48 minutes 00 seconds West 350.00 feet to the BEGINNING POINT.

REFERENCE: Being a portion of Lot 1 as shown on Pinjani Subdivision Map, filed in Orange County Clerk's Office on July 21, 1999 as Map No. 186-99.

Description of Depot Street Facility Realty

SECTION 2 BLOCK 1 LOT 33.21 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at the centerline of an existing right-of-way, said point being in the division line between lands now or formerly Moriano on the south, Liber 2187 Page 42, lands now or formerly Moriano on the west, Liber 2786 Page 10, Liber 2185 Page 218, Liber 2061 Page 708, and Liber 1584 Page 257, and lands to be conveyed to Crystal Run Village, Inc., on the north, and

1. RUNNING THENCE along the centerline of an existing right-of-way and lands now or formerly Moriano North 19 degrees 51 minutes 20 seconds West 106.88 feet to a point;

2. THENCE still along the aforementioned North 14 degrees 12 minutes 25 seconds West 29.06 feet to a point;

THENCE the following courses and distances along lands now or formerly Town of Crawford Sewer District No. 1, Liber 2239 Page 228:

3. North 75 degrees 47 minutes 35 seconds East 35.00 feet to a point;

4. THENCE North 14 degrees 12 minutes 25 seconds West 60.00 feet to a point;

5. THENCE South 75 degrees 47 minutes 35 seconds West 35.00 feet to a point in the centerline of an aforementioned right-of-way and lands now or formerly Moriano;

6. THENCE along said right-of-way and lands or formerly Moriano North 14 degrees 12 minutes 25 seconds West 11.87 feet;

7. THENCE still along the aforementioned North 17 degrees 55 minutes 25 seconds West 32.14 feet to a point in lands now or formerly Pine Bush Properties, Inc., Liber 5114 Page 121;

Description of Depot Street Facility Realty (continued)

8. THENCE along Pine Bush Properties, Inc., North 67 degrees 51 minutes 11 seconds East 442.85 feet to an iron rod found in lands now or formerly Moriano, Liber 2187 Page 42;

9. THENCE along lands now or formerly Moriano South 46 degrees 50 minutes 49 seconds East 229.08 feet to a point found in a large oak tree;

10. THENCE still along the aforementioned South 64 degrees 42 minutes 40 seconds West 560.00 to the BEGINNING POINT.

REFERENCE: Being Lot 1 of Subdivision Map Prepared for Susan Block, filed in Orange County Clerk's Office on July 2, 1993, Map No. 116-93.

Description of Arcadia Road Facility Realty

SECTION 18 BLOCK 1 LOT 12 ON THE TAX MAP OF ORANGE COUNTY

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

BEGINNING at a point in the centerline of Arcadia Road, said point in the division line between lands now or formerly Mulligan on the south Liber 2754 Page 304 and lands to be conveyed to Crystal Run Village, Inc. on the north; and

1. RUNNING THENCE along the centerline of Arcadia Road North 48 degrees 13 minutes 00 seconds East 300.00 feet to a point in lands now or formerly Gerasolo Liber 2145 Page 175;
2. THENCE through Arcadia Road along lands now or formerly Gerasols South 41 degrees 45 minutes 18 seconds East 362.02 feet to an iron pipe found in lands now or formerly Mulligan;
3. THENCE along lands now or formerly Mulligan South 46 degrees 14 minutes 00 seconds West 300.00 feet to an iron pipe set;
4. THENCE still along lands now or formerly Mulligan and through Arcadia Road North 41 degrees 47 minutes 00 seconds West 372.40 feet to the BEGINNING POINT.

Description of Lexington Drive Facility Realty

SECTION 26 BLOCK 10 LOT 14 ON THE TAX MAP OF ORANGE COUNTY

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Newburgh, County of Orange and State of New York, as shown on a map filed in the Orange County Clerk's Office as Filed Map 9960, entitled "Subdivision Plat Orchard Meadows Subdivision," filed on July 8, 1990 and designated as Lot 26, more particularly bounded and described as follows:

BEGINNING at a point on the southerly line of Lexington Drive, said being the northwest corner of Lot 6 on a certain map entitled, "Subdivision Plat Orchard Meadows Subdivision," dated June 3, 1988, last revised December 29, 1988, prepared by Richard G. Bargar and filed in the Office of the Orange County Clerk on July 8, 1990 as Filed Map No. 9960, said lot also being the herein described parcel;

THENCE along the Lexington Drive south 68 degrees 35 minutes 51 seconds east 141.00 feet to the northeast corner of said Lot 6 and the northwest corner of Lot 5 on said Filed Map No. 9960;

THENCE along the division line between said Lot 6 and said Lot 5 south 22 degrees 18 minutes 17 seconds west 405.36 feet to a point on the northerly line of Lot 10 as shown on a map filed in the Orange County Clerk's Office as Filed Map 91-93;

THENCE along said Lot 10 in part and Lot 9 in part also shown on said Filed Map 91-93, north 65 degrees 24 minutes 00 seconds west 142.00 feet to the southwest corner of the herein described parcel and the southeast corner of said Lot 7 as shown on said Filed Map No. 9960;

THENCE north 22 degrees 26 minutes 05 seconds west 397.45 feet to the point or place of BEGINNING.

DESCRIPTION OF MORTGAGED FACILITY EQUIPMENT

All equipment, fixtures, machinery, building materials and items of personal property acquired, refinanced and/or purchased in whole or in part with the proceeds of the Orange County Industrial Development Agency's \$3,855,000 Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2006G-1 and Series 2006G-2, and installed and/or to be acquired and installed by the Company in connection with the completion of the Project located in Orange County, New York.