Dutchess County Local Development Corporation

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

NOTICE AND CONFIRMATION
BOARD OF DIRECTORS REGULAR MEETING

Wednesday, February 14, 2024
8:10 AM

DATE: February 8, 2024

TO: Mark Doyle, Vice Chair
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Don Sagliano
Al Torreggiani

FROM: Tim Dean, Chairman

A regular meeting of the Dutchess County Local Development Corporation [DCLDC] has been scheduled for **Wednesday, February 14, 2024 at 8:10 AM** at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Local Development Corporation (the "Corporation") Board Meeting scheduled for February 14, 2024 can also be viewed electronically via conference for the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at https://us06web.zoom.us/j/89741068505 or calling 1-929-436-2866 Meeting ID: 897 4106 8505. The meeting will be recorded and will be posted to the Corporation's website.

The purpose of the meeting is to consider the following:

1. Conflict of Interest Disclosures
2. Proof of Meeting Notice
3. Bills and Communications
4. Approval of Minutes
   January 10, 2024
5. Report of the Treasurer
   A. Financial Report
6. Reports of Committees
7. Unfinished Business
8. New Business
   A. Consideration and Approval of a Final Bond Resolution for the Issuance of the LDC's Tax-Exempt Refunding Bonds Series 2024 (Trinity-Pawling School Corporation) in an amount presently estimated to be $10,310,000 but not to exceed $11,000,000 for the benefit of Trinity-Pawling School.
   B. Consideration and Approval for Dutchess County reimbursement for 4th quarter 2023 reimbursement
   C. Consideration and Approval for 4th quarter 2023 ARPA reimbursement
   D. Consideration and Approval of hiring a Compliance Associate

Information Copy		
Sue Serino, DC Executive Will Truitt, Chairman, DC Legislature Ronald Hicks, Dutchess County	Sarah Lee, Executive Director Jane Denbaum, CFO Donald Cappillino, Counsel Elizabeth Cappillino, Counsel	B. Hunter, WEOK/WPDH H. Gross, Mid-Hudson News

Th!nk DUTCHESS

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BOARD OF DIRECTORS REGULAR MEETING

Wednesday, February 14, 2024
8:10 AM

AGENDA

1. Roll Call

2. Conflict of Interest Disclosures

3. Proof of Meeting Notice

4. Bills and Communications

5. Approval of Minutes
   January 10, 2024

6. Report of the Treasurer
   A. Financial Report

7. Reports of Committees

8. Unfinished Business

9. New Business
   A. Consideration and Approval of a Final Bond Resolution for the Issuance of the LDC's Tax-Exempt Refunding Bonds Series 2024 (Trinity-Pawling School Corporation) in an amount presently estimated to be $10,310,000 but not to exceed $11,000,000 for the benefit of Trinity-Pawling School.
   B. Consideration and Approval for Dutchess County reimbursement for 4th quarter 2023 reimbursement
   C. Consideration and Approval for 4th quarter 2023 ARPA reimbursement
   D. Consideration and Approval of hiring a Compliance Associate

10. Adjournment

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

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MINUTES

Dutchess County Local Development Corporation
3 Neptune Road, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 10, 2024

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Alfred Torreggiani

Unable to Attend: Don Sagliano

Also Present: Sarah Lee, CEO
Jane Denbaum, CFO
Jasmin Haylett, Office Administrator
Amanda Gomes, Marketing & Dev. Manager
Don Cappillino & Elizabeth Cappillino (Counsel)
Taun Toay, George Hamel, Andrew Fitzpatrick & Bryan Boeckmann (Bard College)

On Wednesday, January 10, 2024, the Dutchess County Local Development Corporation [DCLDC] Board of Directors regular meeting was called to order by Chairman Dean at 8:35 AM. Present was Tim Dean, Mark Doyle, Kathleen Bauer, Amy Bombardieri, Jamie Piccone II and Al Torreggiani. Unable to attend was Don Sagliano. Quorum was established with (6) members in-person.

CONFLICT OF INTEREST DISCLOSURES
Chairman Dean asked board members if they had any potential conflicts with any items on the agenda. No potential conflict was noted.

PROOF OF MEETING NOTICE
The meeting notice was published on January 5, 2024.

BILLS AND COMMUNICATIONS
None

APPROVAL OF MINUTES
November 8, 2023
November 30, 2023

Chairman Dean asked for a motion to approve the November 8, 2023 and November 30, 2023 meeting minutes of the Dutchess County Local Development Corporation.

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the DCLDC Board of Directors meeting minutes for November 8, 2023 and November 30, 2023. Roll call vote was taken, all voted in favor and the motion was passed.

REPORT OF THE TREASURER
None

REPORTS OF COMMITTEES
None

UNFINISHED BUSINESS
None

NEW BUSINESS

A. Consideration and Approval of a Bond Resolution authorizing the Issuance of the LDC's Variable Rate Revenue Bonds (Bard College Project), Series 2024 in an amount presently estimated to be $43,225,000 but not to exceed $46,000,000 for the benefit of Bard College.

   Discussion ensued with questions, responses and comments.

   Chairman Dean asked for a motion to approve the Bond Resolution authorizing the Issuance of the LDC's Variable Rate Revenue Bonds (Bard College Project), Series 2024 in an amount presently estimated to be $43,225,000 but not to exceed $46,000,000 for the benefit of Bard College.

   A motion was made by Mr. Piccone, duly seconded by Mr. Torreggiani to approve the Bond Resolution authorizing the Issuance of the LDC's Variable Rate Revenue Bonds (Bard College Project), Series 2024 in an amount presently estimated to be $43,225,000 but not to exceed $46,000,000 for the benefit of Bard College. Roll call vote was taken, all voted in favor and the motion was passed.

B. Authorization for approval for check signing as of January 10, 2024 are Tim Dean, Chairman; Mark Doyle, Vice Chair; Kathleen Bauer, Secretary & Treasurer; Sarah Lee, CEO; and Jane Denbaum, CFO.

   Chairman Dean asked for a motion to approve the checking signing as of January 10, 2024.

   A motion was made by Mr. Torreggiani, duly seconded by Mr. Piccone to authorize, as of January 10, 2024, the following individuals to sign checks: Tim Dean, Chairman; Mark Doyle, Vice Chair; Kathleen Bauer, Secretary & Treasurer; Sarah Lee, CEO; and Jane Denbaum, CFO. Roll call vote was taken, all voted in favor and the motion was passed.

ADJOURNMENT
There being no further business on the agenda to discuss, the meeting was adjourned by Chairman Dean at 8:50 AM.

Respectfully submitted,

_____ _____
Kathleen M. Bauer, Secretary/Treasurer Date

Meeting 01-10-2024
Approved _____
Certified _____

BOND RESOLUTION
TRINITY-PAWLING SCHOOL CORPORATION SERIES 2024 BONDS

A regular meeting of the Board of Directors of Dutchess County Local Development Corporation (the "**Issuer**") was convened in public session in the offices of the Issuer located at Three Neptune Road, Town of Poughkeepsie, Dutchess County, New York on February 14, 2024 at 8:10 a.m., local time.

The meeting was called to order by the Chairman of the Board of Directors of the Issuer and, upon roll being called, the following members of the Board of Directors of the Issuer were:

PRESENT: Timothy Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen M. Bauer, Secretary/Treasurer
Alfred D. Torreggiani
Donald R. Sagliano
Ronald J. Piccone, II
Amy Bombardieri

ABSENT:

ALSO PRESENT: Sarah Lee, Chief Executive Officer
Jane Denbaum, Chief Financial Officer
Donald Cappillino, Counsel
Elizabeth A. Cappillino, Counsel

The following resolution was offered by [ ], and seconded by [ ], to wit:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION OF ITS REVENUE REFUNDING BONDS (TRINITY-PAWLING SCHOOL CORPORATION PROJECT), SERIES 2024 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE $10,310,000 BUT NOT TO EXCEED $11,000,000, AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH.

WHEREAS, the Issuer was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "**Enabling Act**"); and pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Dutchess County, New York (the "**County**") adopted a resolution on April 12, 2010 (A) authorizing the incorporation of the Issuer under the Enabling Act, and (B) appointing the initial members of the Board of Directors of the Issuer; and in April, 2010, a Certificate of Incorporation was filed with the New York Secretary of State's Office (the "**Certificate of Incorporation**") creating the Issuer as a public instrumentality of the County; and

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

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WHEREAS, the Issuer is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions; and

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

WHEREAS, Trinity-Pawling School Corporation, a New York not-for-profit education corporation and an organization described in Section 501(c)(3) of the Code (the "**School**"), whose main campus is located at 700 Route 22, Pawling, New York, has submitted an application to the Issuer (the "**Application**"), a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the School consisting of the issuance of tax-exempt revenue bonds that will be qualified 501(c)(3) bonds for educational facilities under the Code in the principal amount presently estimated to be Ten Million Three Hundred Ten Thousand and 00/100 Dollars ($10,310,000) but not to exceed Eleven Million and 00/100 Dollars ($11,000,000) (the "**Series 2024 Bonds**") to be used as follows:

(A) refunding the Issuer's outstanding Revenue Bonds (Trinity-Pawling School Corporation Project - Series 2013), issued in the original aggregate principal amount of $18,830,000 (the "**Series 2013 Bonds**"), of which approximately $10,221,594 are currently outstanding, for the purposes of: (a) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 1998 (Trinity-Pawling School Corporation Civic Facility) (the "**1998 Bonds**"), in the original aggregate principal amount of $5,800,000, which 1998 Bonds were issued for the purposes of (i) refunding an existing mortgage indebtedness the proceeds of which were used for the renovation of certain structures which constitute portions of the Campus located at 300 Route 22 (now 700 Route 22) Pawling, New York (the "**Campus**"), including, but not limited to, the Cluett Building and the Starr Building; and (ii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 1998 Bonds; (b) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 2002 (Trinity-Pawling School Corporation Civic Facility) (the "**2002 Bonds**"), in the original aggregate principal amount of $17,200,000 for the purposes of making certain capital improvements to the Campus, including, but not limited to: (i) the construction of an approximately 19,096 square foot addition to the Dann Science and Technology Center; (ii) the renovation of approximately 10,480 square feet of and the construction of an approximately 20,275 square foot addition to

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

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the existing Arts Center; (iii) renovation of approximately 22,389 square feet of the Dann class room building; (iv) construction of two (2) faculty houses totaling approximately 4,400 square feet; (v) renovation of approximately 3,674 square feet of the Shaw Building to provide faculty housing and a conference area; (vi) upgrading and improving existing athletic and track fields on campus; and (vii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 2002 Bonds; (c) financing the acquisition, construction, renovation, installation and equipping of (i) a new synthetic turf athletic field to replace the existing athletic field at the Campus; (ii) relocating an existing parking lot consisting of approximately thirty-two (32) spaces to a location adjacent to the new synthetic turf athletic field and expanding the size of the parking lot to 81 spaces; (iii) replacing 12 existing tennis courts on the Campus with 9 new tennis courts and building a 450 square foot building encompassing bathrooms and a storage area adjacent to the tennis courts; (d) the repairing, renovating, or replacing of any other facilities owned by the School at the Campus; (e) paying redemption premiums, if any, in connection with the 1998 Bonds and the 2002 Bonds; and (f) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds; and

(B) paying redemption premiums, if any, in connection with the Series 2013 Bonds; and

(C) paying of all or a portion of the costs incidental to the issuance of the Series 2024 Bonds, including issuance costs of the Series 2024 Bonds and any reserve funds as may be necessary to secure the Series 2024 Bonds (collectively, paragraphs (A), (B), and (C) shall be referred to herein as the "**Project**").

WHEREAS, the financing through the issuance of the Series 2024 Bonds in one or more issues or series is in an aggregate principal amount presently estimated to be Ten Million Three Hundred Ten Thousand and 00/100 Dollars ($10,310,000) but not to exceed Eleven Million and 00/100 Dollars ($11,000,000); and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer (A) caused a notice of public hearing (the "**Public Hearing**") of the Issuer to hear all persons interested in the Project to be published on January 31, 2024 in the *Poughkeepsie Journal*, a newspaper of general circulation available to the residents of Dutchess County, New York and the Village of Pawling; (B) caused a notice of the Public Hearing to be mailed on January 30, 2024, to the chief executive officer of the County and of each city, town, village and school district in which the Project is located; (C) conducted the Public Hearing on February 7, 2024 at 9:30 a.m., local time at Trinity-Pawling School, Cluett Hall (main building), first floor Board Room, 700 Route 22, Pawling, New York; and (D) caused a transcript report of the Public Hearing to be made (the "**Public Hearing Report**") which fairly reported the views presented at such Public Hearing and caused a copy of said Public Hearing Report to be made available to the

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

DRAFT

members of the Board of Directors of the Issuer and to the County Executive of Dutchess County, New York (the "**County Executive**"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted by the Department of Environmental Conservation of the State of New York (the laws and regulations hereinafter collectively referred to as "**SEQRA**"), the Issuer must determine whether the financing of the Project by the Issuer may have a significant effect on the environment and therefore require the preparation of an Environmental Impact Statement; and

WHEREAS, to aid the Issuer in determining whether the Project may have a significant impact on the environment, the School has prepared and submitted to the Issuer, along with the Application, a Short Environmental Assessment Form (the "**EAF**") for the Project; and

WHEREAS, pursuant to the EAF and based on a review of the Application and representations by the School, the Project constitutes a refinancing of the School's existing debt, which is a Type II action under 6 NYCRR §617.5(c)(29), and therefore no further action with respect to the Project is required under SEQRA; and

WHEREAS, the Issuer will issue its Series 2024 Bonds in the aggregate principal amount presently estimated to be $10,310,000 but not to exceed $11,000,000 under this resolution (the "**Bond Resolution**" or the "**Resolution**") and a Bond Purchase and Loan Agreement, dated as of February 1, 2024 (the "**Bond Purchase and Loan Agreement**"), by and among the Issuer, the School and PCSB Bank (the "**Bank**"); and

WHEREAS, pursuant to the terms of the Bond Purchase and Loan Agreement, the Bank will purchase the Series 2024 Bonds from the Issuer; and

WHEREAS, pursuant to the terms of the Bond Purchase and Loan Agreement, the Issuer will loan the proceeds of the Series 2024 Bonds to the School (the "**Loan**") and the School will make certain payments to or upon the order of the Issuer, which payments shall include amounts equal to the debt service payments due on the Series 2024 Bonds; and

WHEREAS, as evidence of its indebtedness under the Bond Purchase and Loan Agreement, the School will execute a Promissory Note (the "**Promissory Note**") to the Issuer in the amount of the Series 2024 Bonds, which Promissory Note shall be assigned by the Issuer to the Bank; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of the Series 2024 Bonds, (A) the Issuer will execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2024 Bonds (the "**Information Return**") pursuant to Section 149(e) of the Code, and file the Information Return with the Internal Revenue Service; and (B) the Issuer and the School will execute a Tax Regulatory Agreement dated the date of delivery of the Series 2024 Bonds (the "**Tax Regulatory Agreement**") relating to the requirements in Sections 103 and 145 through 150 of the Code; and

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

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WHEREAS, the Issuer now desires to authorize the issuance of the Series 2024 Bonds for the purpose of paying a portion of the Project Costs (as defined in the Bond Purchase and Loan Agreement).

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby finds and determines that:

(A) By virtue of the Certificate of Incorporation, the Amendment to the Certificate of Incorporation and the Enabling Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act; and

(B) The financing and/or refinancing of the Project through the issuance of the Series 2024 Bonds will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government; and

(C) Since this Project is a refinancing of the School's existing debt, pursuant to 6 NYCRR §617.5(c)(29) it is a Type II action and therefore no further action with respect to the Project is required under SEQRA; and

(D) It is desirable and in the public interest for the Issuer to issue and sell its Series 2024 Bonds upon the terms and conditions set forth in the Bond Purchase and Loan Agreement.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) issue the Series 2024 Bonds on the terms and conditions set forth in the Bond Purchase and Loan Agreement; (B) execute the Tax Regulatory Agreement, pursuant to which the Issuer and the School make certain representations and covenants to ensure the continued compliance with the Code; (C) execute the Information Return in connection with the issuance of the Series 2024 Bonds; (D) sell the Series 2024 Bonds to the Bank pursuant to the terms set forth in the Bond Purchase and Loan Agreement; (E) use the proceeds of the Series 2024 Bonds to make the Loan to the School for the purpose of paying a portion of the Project Costs; (F) file the Information Return with the IRS; and (G) execute any and all related documents, instruments, and certificates.

Section 3. The form and substance of the Bond Purchase and Loan Agreement, the Tax Regulatory Agreement, the Information Return, and the endorsement of the Promissory Note, and any documents necessary and incidental thereto including, but not limited to, any documents approved by counsel to the Issuer (collectively, the "**Issuer Documents**") are hereby approved.

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
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Section 4. Subject to receipt by the Issuer of the executed certificate from the County Executive indicating that the County Executive has approved the issuance of the Series 2024 Bonds pursuant to, and solely for the purposes of, Section 147(f) of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Series 2024 Bonds in the aggregate principal amount presently estimated to be $10,310,000 but not to exceed $11,000,000, or so much thereof as may be determined by the Issuer and the School to be necessary to finance the Project Costs, in the form and in the amount and containing the other provisions determined by the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer and the Issuer is hereby authorized to deliver said Series 2024 Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Enabling Act and in accordance with the provisions of the this Bond Resolution and the Bond Purchase and Loan Agreement, provided that:

(A) The Series 2024 Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 4 shall (1) be issued, executed and delivered at such time as the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Series 2024 Bonds and the Bond Purchase and Loan Agreement, or as are hereinafter approved by the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer in accordance with Section 5 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Bond Resolution.

(B) The Series 2024 Bonds shall be issued solely for the purpose of providing funds to finance (1) the costs of making the Loan for the purpose of paying a portion of the Project Costs as described in the Issuer Documents, and (2) a portion of the administrative, legal, financial and other expenses of the Issuer in connection with the Loan and the Project and incidental to the issuance of the Series 2024 Bonds.

(C) Neither the members, directors nor officers of the Issuer, nor any person executing the Series 2024 Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Series 2024 Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Dutchess County, New York or any political subdivision thereof, and neither the State of New York, or Dutchess County, New York nor any political subdivision thereof shall be liable thereon.

(D) The Series 2024 Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from repayment of the Loan or from the enforcement of the security

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CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

provided by the Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

(E) Notwithstanding any other provision of this Bond Resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2024 Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Series 2024 Bonds, would have caused any of the Series 2024 Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 5. (A) The Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents and the other documents related thereto (collectively with the Issuer Documents, the "**Financing Documents**"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman, the Vice Chairman and/or the Chief Executive Officer shall approve, the execution thereof by the Chairman, the Vice Chairman and/or the Chief Executive Officer to constitute conclusive evidence of such approval including such changes to the Financing Documents as are deemed appropriate by the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer to provide for bond insurance provided by a bond insurer selected by the School.

(B) The Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer are hereby further authorized, on behalf of the Issuer, to designate any additional authorized representatives of the Issuer.

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Bond Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 7. All actions taken by the Chairman, the Vice Chairman and/or Chief Executive Officer of the Issuer in connection with Section 5 of this Bond Resolution, prior to the date of this Bond Resolution, are hereby ratified and confirmed.

Section 8. This Bond Resolution shall take effect immediately and the Series 2024 Bonds are hereby ordered to be issued in accordance with this Bond Resolution.

The question of the adoption of the foregoing Bond Resolution was duly put to a vote on roll call, which resulted as follows:

CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

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Timothy Dean, Chairman	VOTING
Mark Doyle, Vice Chairman	VOTING
Kathleen M. Bauer, Secretary/Treasurer	VOTING
Alfred D. Torreggiani	VOTING
Donald R. Sagliano	VOTING
Ronald J. Piccone, II	VOTING
Amy L. Bombardieri	VOTING

The foregoing Bond Resolution was thereupon declared duly adopted.

Adopted: February 14, 2024

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CAPPILLINO, ROTHSCHILD & EGAN LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

Nixon Peabody LLP
Draft Dated 02/09/24

BOND PURCHASE AGREEMENT AND LOAN AGREEMENT

BY AND AMONG

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION,

TRINITY-PAWLING SCHOOL CORPORATION,

AND

PCSB BANK

DATED AS OF FEBRUARY 1, 2024

Relating To:

Up To $[10,310,000]
Aggregate Principal Amount

Dutchess County Local Development Corporation
Revenue Refunding Bonds
(Trinity-Pawling School Corporation Project), Series 2024

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TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 4

Section 1.01. Definitions of Terms 4

Section 1.02. Rules of Construction 14

ARTICLE II REPRESENTATIONS BY AND COVENANTS OF THE ISSUER, THE SCHOOL AND THE BANK 15

Section 2.01. Representations by the Issuer 15

Section 2.02. Covenants of the Issuer 16

Section 2.03. Representations by the School 16

Section 2.04. Covenants of the School 19

Section 2.05. Representations by and Covenants of the Holder 19

ARTICLE III CLOSING AND PURCHASE AND SALE OF SERIES 2024 BONDS 21

Section 3.01. Closing Date; Loan of Bond Proceeds 21

Section 3.02. Conditions Precedent to Closing 21

Section 3.03. Provisions Relating to Exchange of Series 2024 Bonds 22

Section 3.04. Loss, Theft, Destruction or Mutilation of the Series 2024 Bonds 23

Section 3.05. Commitment 24

ARTICLE IV DISBURSEMENT OF BOND PROCEEDS; OTHER OBLIGATIONS OF SCHOOL; INSURANCE PROVISIONS 24

Section 4.01. Disbursement of Bond Proceeds 24

Section 4.02. Installation of Additional Equipment 24

Section 4.03. Taxes, Assessments and Utility Charges 24

Section 4.04. Insurance Required 25

Section 4.05. Additional Provisions Respecting Insurance 25

Section 4.06. Application of Net Proceeds of Insurance 25

Section 4.07. Right of the Bank or the Issuer to Pay Taxes, Insurance Premiums and Other Charges 26

Section 4.08. Reserved 26

Section 4.09. Damage or Destruction 26

Section 4.10. Reserved 26

Section 4.11. Escrowing of Net Proceeds 26

Section 4.12. Condemnation of School -Owned Property 27

Section 4.13. No Warranty of Condition or Suitability by the Issuer; Acceptance "As Is" 27

Section 4.14. Hold Harmless Provisions 27

Section 4.15. Agreement to Provide Information 28

Section 4.16. Compliance With Orders, Ordinances, Etc 28

DRAFT

Section 4.17. Discharge of Liens and Encumbrances 28
Section 4.18. Performance by Issuer of School's Obligations 29
Section 4.19. Covenant Against Arbitrage Bonds; Rebate Requirement 29
Section 4.20. School to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted 29
Section 4.21. Employment Opportunities, Notice of Jobs 30
Section 4.22. Restriction on Transfer of Facility 30
Section 4.23. Removal of Assets 31
Section 4.24. Merger of Issuer. 31
Section 4.25. Financial Covenants. 32
Section 4.26. Reporting 32
Section 4.27. School Tax Covenants 33
ARTICLE V PREPAYMENT BY ISSUER 33
Section 5.01. Payment of Principal and Interest 33
Section 5.02. Prepayment of the Series 2024 Bonds 34
Section 5.03. Discharge of Bond Purchase Agreement 34
ARTICLE VI DEFAULT PROVISIONS AND REMEDIES 35
Section 6.01. Events of Default 35
Section 6.02. Enforcement of Remedies ..... **Error! Bookmark not defined.**
Section 6.03. Reserved 37
Section 6.04. Application of Monies 37
Section 6.05. Remedies Not Exclusive 37
Section 6.06. Termination of Proceedings 37
Section 6.07. Waivers; No Additional Waiver Implied by One Waiver 37
ARTICLE VII MISCELLANEOUS 38
Section 7.01. School to Pay Expenses 38
Section 7.02. Recording and Filing 38
Section 7.03. Limitation of Rights 38
Section 7.04. Severability 39
Section 7.05. Notices 39
Section 7.06. Counterparts 40
Section 7.07. Applicable Law; Indemnity 40
Section 7.08. Additional Charges 41
Section 7.09. Amendment 41
Section 7.10. No Recourse; Special Obligation of Issuer 41
Section 7.11. Table of Contents and Section Headings Not Controlling 42
Section 7.12. Survival 42

DRAFT

Section 7.13. Conflicts 42
Section 7.14. Assignment and Participation. 42
EXHIBIT A BOND FORM
EXHIBIT B BENCHMARK REPLACEMENT PROVISIONS
EXHIBIT C FORM OF PROMISSORY NOTE

DRAFT

BOND PURCHASE AGREEMENT AND LOAN AGREEMENT

THIS BOND PURCHASE AGREEMENT AND LOAN AGREEMENT (the "**Bond Purchase Agreement**"), dated as of February 1, 2024, is by and among (i) **DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION,** a not-for-profit local development corporation duly organized and existing under the laws of the State of New York having its principal office at 3 Neptune Road, Poughkeepsie, New York 12601 (the "**Issuer**"), (ii) **TRINITY-PAWLING SCHOOL CORPORATION,** a duly organized and validly existing New York not-for-profit corporation and a Section 501(c)(3) organization exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), having an office at 700 Route 22, Pawling, New York 12564 (the "**School**"), and (iii) **PCSB BANK,** a banking corporation duly authorized and validly existing under the laws of the State of New York, having an office at PCSB Bank Corporate Headquarters, 2651 Strang Blvd., P.O. Box 712, Yorktown Heights, New York 10598 (the "**Bank**").

W I T N E S S E T H :

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

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

WHEREAS, pursuant to a certain resolution duly adopted by the Issuer on February 14, 2024 (the "**Bond Resolution**"), the Issuer authorized the issuance and sale of up to $[10,310,000] aggregate principal amount Revenue Refunding Bonds (Trinity-Pawling School Corporation Project), Series 2024 (the "**Series 2024 Bond**" or the "**Series 2024 Bonds**") for the benefit of the School, for the purpose of assisting in financing, refinancing and/or reimbursing, together with any other funds of the School, all or a portion of the costs of a certain project consisting of:

(A) refunding the Issuer's outstanding Revenue Bonds (Trinity-Pawling School Corporation Project Series 2013), issued in the original aggregate principal amount of $18,830,000 (the "**Series 2013 Bonds**"), of which approximately $10,221,594 are currently outstanding, for the purposes of: (a) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue

DRAFT

Bonds, Series 1998 (Trinity-Pawling School Corporation Civic Facility) (the "**1998 Bonds**"), in the original aggregate principal amount of $5,800,000, which 1998 Bonds were issued for the purposes of (i) refunding an existing mortgage indebtedness the proceeds of which were used for the renovation of certain structures which constitute portions of the Campus located at 300 Route 22 (now 700 Route 22) Pawling, New York (the "**Campus**"), including, but not limited to, the Cluett Building and the Starr Building; and (ii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 1998 Bonds; (b) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 2002 (Trinity-Pawling School Corporation Civic Facility) (the "**2002 Bonds**"), in the original aggregate principal amount of $17,200,000 for the purposes of making certain capital improvements to the Campus, including, but not limited to: (i) the construction of an approximately 19,096 square foot addition to the Dann Science and Technology Center; (ii) the renovation of approximately 10,480 square feet of and the construction of an approximately 20,275 square foot addition to the existing Arts Center; (iii) renovation of approximately 22,389 square feet of the Dann class room building; (iv) construction of two (2) faculty houses totaling approximately 4,400 square feet; (v) renovation of approximately 3,674 square feet of the Shaw Building to provide faculty housing and a conference area; (vi) upgrading and improving existing athletic and track fields on campus; and (vii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 2002 Bonds; (c) financing the acquisition, construction, renovation, installation and equipping of (i) a new synthetic turf athletic field to replace the existing athletic field at the Campus; (ii) relocating an existing parking lot consisting of approximately thirty-two (32) spaces to a location adjacent to the new synthetic turf athletic field and expanding the size of the parking lot to 81 spaces; (iii) replacing 12 existing tennis courts on the Campus with 9 new tennis courts and building a 450 square foot building encompassing bathrooms and a storage area adjacent to the tennis courts; (d) the repairing, renovating, or replacing of any other facilities owned by the School at the Campus; (e) paying redemption premiums, if any, in connection with the 1998 Bonds and the 2002 Bonds; and (f) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds; and

(B) paying redemption premiums, if any, in connection with the Series 2013 Bonds; and

(C) paying of all or a portion of the costs incidental to the issuance of the Series 2024 Bonds, including issuance costs of the Series 2024 Bonds and any reserve funds as may be necessary to secure the Series 2024 Bonds (collectively, paragraphs (A), (B), and (C) shall be referred to herein as the "**Project**"); and

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WHEREAS, as security for the Series 2024 Bonds, the School has granted to the Bank a first priority lien and security interest in certain pledged revenues pursuant to a certain Pledge and Security Agreement, dated as of February 1, 2024 (the "**Pledge and Security Agreement**"), from the School to the Bank; and

WHEREAS, the execution and delivery of this Bond Purchase Agreement and the issuance of the Series 2024 Bonds under the Act have been in all respects approved and duly and validly authorized by the Bond Resolution; and

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

WHEREAS, the Bank, in consideration of, among other things, the express promises of the School set forth in Section 2.04 hereof, has agreed to purchase the Series 2024 Bonds from the Issuer in an aggregate principal amount of up to $[10,310,000], and the execution and delivery of this Bond Purchase Agreement and the Promissory Note from the School to the Issuer, dated the Closing Date (the "**Note**" or the "**Promissory Note**"), which Note shall be endorsed by the Issuer, without recourse, to the Bank, shall evidence the loan of the proceeds of the Series 2024 Bonds to the School from the Issuer and the terms pursuant to which the School is obligated to repay such loan; and

WHEREAS, the Series 2024 Bonds shall be substantially in the form attached hereto as Exhibit A and made a part hereof; and

NOW, THEREFORE, the parties agree as follows:

ARTICLE I
DEFINITIONS

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

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

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

"Alternate Base Rate" means, for any day, a fluctuating rate per annum equal to the greater of: (A) Term SOFR of Available Tenor (B) the Prime Rate in effect on such day minus 3% (C) the Federal Funds Rate, if the Alternate Base Rate as so determined shall be less than zero, then the Alternate Base Rate shall be deemed to be zero for purposes of this Agreement. Any change in the Alternate Base Rate due to a change in the Term SOFR of Available Tenor, Prime Rate or the Federal Funds Rate shall be effective from and including the effective date of such change in the Term SOFR of Available Tenor, Prime Rate or the Federal Funds Rate, as the case may be. The Applicable Margin will be added to the Alternative Base Rate.

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"Amortization Schedule" shall mean that amortization schedule attached to and made part of the Series 2024 Bonds setting forth the schedule of payments of principal and interest on the Series 2024 Bonds, as such amortization schedule may be modified or replaced in accordance with this Bond Purchase Agreement.

"Annual Debt Service" means, for each Fiscal Year, the sum of interest expense plus scheduled payments of principal on all indebtedness having an original term of more than one calendar year (including but not limited to amortization of capitalized lease obligations), as shown in the School's audited financial statements as of one year prior to such date of determination.

"Applicable Margin" means One and Three-Quarters percent (1.750%).

"Authorized Representative" means, in the case of the Issuer, the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer or any member or other officer of the Issuer; in the case of the School, its Headmaster or Chief Operating Officer and, in the case of both, such additional persons as, at the time, are designated to act on behalf of the Issuer or the School, as the case may be, by written certificate furnished to the Bank, and to the Issuer or School, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer or any member or other officer of the Issuer, or (ii) the School by its Headmaster or Chief Operating Officer.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Bond Purchase Agreement as of such date.

"Bank" means PCSB Bank, a banking corporation duly authorized and validly existing under the laws of the State of New York, as the initial Holder of the Series 2024 Bonds.

"Bank Documents" means collectively, this Bond Purchase Agreement, the Pledge and Security Agreement, and any other documents or certificates executed by the School in connection therewith.

"Bank Taxable Rate" means an interest at a rate equal to the sum of (i) the SOFR Index as of the day of determination, plus (ii) the Applicable Margin.

"Benchmark" means, initially, the Term SOFR Rate, provided, however, that if a "Benchmark Transition Event" and its related "Benchmark Replacement Date" have occurred with respect to the Term SOFR Rate or the then-current Benchmark, then "Benchmark" means the applicable "Benchmark Replacement" pursuant to clause (a) of Exhibit B, provided, however that notwithstanding anything else contained herein to the contrary, in no event shall the Benchmark ever be less than the Floor.

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"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Bondholder for the applicable Benchmark Replacement Date:

(1) Daily Simple SOFR for the Available Tenor; or

(2) the alternate benchmark rate that has been selected by the Bondholder as the replacement for the then-current Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body; and (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated bilateral credit facilities at such time as determined by the Bondholder in its [reasonable] discretion; provided, however, such alternate benchmark rate selected by the Bondholder shall be a "qualified rate" as described in the federal tax regulations (currently, 26 CFR § 1.1001-6(h)(3)), as may be amended from time to time, and in connection with any conversion to the Benchmark Replacement contemplated by this clause (2), the School will deliver, at its sole cost and expense, to the Issuer and the Bondholder a Favorable Opinion of Bond Counsel. In no event shall the Benchmark Replacement contemplated by this clause (2), replace the then-current Benchmark prior to receipt by the Issuer and the Bondholder of such Favorable Opinion of Bond Counsel. If such Favorable Opinion of Bond Counsel has not been delivered before the Benchmark Replacement Date, then interest on the Series 2024 Bonds shall accrue at a rate per annum equal to the Variable Interest Rate beginning on the date of the first Benchmark setting following the Benchmark Replacement Date and ending on the first Business Day following the receipt of the Favorable Opinion of Bond Counsel by the Issuer and the Bondholder. After such date, interest on the Series 2024 Bonds will accrue at a rate per annum calculated using the Benchmark Replacement.

Notwithstanding anything else to the contrary, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Bond Purchase Agreement and the other Bond Documents

"Benchmark Replacement Adjustment" means the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Bondholder giving due consideration to any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar denominated bilateral facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "Interest Period," the timing, frequency and manner of determining rates including the utilization of Benchmark Replacement Adjustments and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices,

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length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that the Bondholder decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Bondholder in a manner substantially consistent with market practice (or, if the Bondholder decides that adoption of any portion of such market practice is not administratively feasible or if the Bondholder determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Bondholder decides is reasonably necessary in connection with the administration of this Bond Purchase Agreement and the other Bond Documents), which such changes are not reasonably expected to result in a deferral of, or reduction in, any scheduled payment of interest or principal.

"Benchmark Replacement Date" means in the case of clauses (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide all Available Tenors of such Benchmark.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator, the regulatory supervisor of such administrator or a resolution authority or court with jurisdiction over such administrator announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark, permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark; or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that all Available Tenors of such Benchmark are not, or as of a specified future date will not be, representative.

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with the Section titled "Benchmark Replacement Setting" and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with the Section titled "Benchmark Replacement Setting".

"Bond Counsel" means the law firm of Nixon Peabody LLP or an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized acceptable to the Issuer.

"Bond Documents" or "Financing Documents" means collectively, this Bond Purchase Agreement, the Series 2024 Bonds, the Pledge and Security Agreement, the Note, the Tax Regulatory Agreement and any other document now or hereafter executed by the Issuer or the School in favor of the Holder or the Bank which affects the rights of the Holder or the Bank in or to the Project, in whole or in part, or which secures or guarantees any sum due on the Series 2024 Bonds or any of the other

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Financing Documents, each as amended, restated, supplemented or otherwise modified, from time to time and all documents related thereto and executed in connection therewith.

"Bond Payment Date" means each date on which interest or principal or any combination of the foregoing shall be payable on the Series 2024 Bonds according to its terms and Section 5.01(d) hereof, so long as the Series 2024 Bonds shall be outstanding.

"Bond Proceeds" means the sum of the face amount of the Series 2024 Bonds or so much as advanced under the Bond Purchase Agreement plus accrued interest, if any.

"Bond Purchase Agreement" means this Bond Purchase Agreement and Loan Agreement, dated as of February 1, 2024, by and among the Issuer, the School and the Bank; as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Bond Registrar" shall have the meaning ascribed to such term in Section 3.03 of this Bond Purchase Agreement.

"Bond Resolution" means the resolution adopted by the Issuer on February 14, 2024, authorizing, among other things, the issuance, execution, sale and delivery of the Series 2024 Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York, or any city in which the principal office of the Bank is located are authorized by law or executive order to remain closed and when such term is used to describe a day on which a payment, redemption or repayment is to be made in respect of the Series 2024 Bonds, any day which is neither a Saturday nor a Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in New York, New York.

"Cash Flow Available for Debt Service" means, for each Fiscal Year, (i) the change in unrestricted net assets, (ii) plus interest expense, (iii) plus depreciation and amortization, (iv) either plus unrealized losses on investments or minus unrealized gains on investment, and (v) either plus other non-cash loses or minus other non-cash gains.

"Closing Date" means the date of sale and delivery of the Series 2024 Bonds, being February [__], 2024.

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

"Commitment" means that commitment letter from PCSB Bank to the School, dated January 18, 2024, and accepted by the School on January 19, 2024, as may be amended.

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

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"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Bondholder in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for bilateral business loans; provided, that if the Bondholder decides that any such convention is not administratively feasible for the Bondholder, then the Bondholder may establish another convention in its reasonable discretion.

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

"Equipment" means all materials, machinery, equipment, fixtures or furnishings or other items of tangible personal property, intended to be acquired, installed or refinanced with the Bond Proceeds and such substitutions and replacements therefor as may be made from time to time.

"Equivalency Factor" means 79%. The Bondholder shall use a tax-exempt Equivalency Factor to calculate the Variable Interest Rate. [The Equivalency Factor shall be adjusted if the maximum marginal statutory rate of federal tax imposed upon the income of corporations generally decreases or increases for any period during which the Bonds are outstanding. In such event, the Equivalency Factor shall be decreased or increased, provided that in no event shall the Equivalency Factor ever be less than 67%. Any such change to the Equivalency Factor is subject to the delivery of a Favorable Opinion of Bond Counsel to the Issuer and the Bondholder. TO BE DISCUSSED]

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

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

"Event of Taxability" means:

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service ("IRS") to which the School shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2024 Bonds is includable in the gross income of the Holders thereof for federal income tax purposes;

(B) ninety (90) days after receipt by the Issuer, the Holder, the Bank or the School of written notice that the IRS has issued a "notice of deficiency" or similar notice to any present or former Holder of a Bond assessing a tax in respect of any interest on the Series 2024 Bonds as a result of such interest being includable in gross income for federal income tax purposes, provided that such notice has not been withdrawn by the IRS and from which such Holder (or the Issuer, the School or the Bank on behalf of the Holder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

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(C) the delivery to the School, the Holder, the Bank and the Issuer of an opinion of Bond Counsel to the effect that interest on the Series 2024 Bonds is includable in the gross income of a Holder thereof for federal income tax purposes.

Nothing in this definition of "Event of Taxability" shall be construed to mean that the Issuer, the School, the Bank or any Holder of any Bond shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Series 2024 Bonds is subject to taxation.

Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Bondholder, the calculation of which included the interest on the Series 2024 Bonds, be considered an Event of Taxability.

"Facility" shall have the meaning assigned to such term in the WHEREAS paragraphs of this Bond Purchase Agreement.

"Favorable Opinion of Bond Counsel" means, when used with respect to or in connection with any action, and opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on the Series 2018 Bonds for federal income tax purposes.

"Federal Funds Rate" means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the effective federal funds rate.

"Fiscal Year" means each annual accounting year of the School, which currently begins on July 1 in each calendar year.

"Floor" means 0%.

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

"Hazardous Materials" means any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), Articles 15 or 27 of the New York Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

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"Holder" or "Bondholder" or "Owner" means the registered owner at the time in question of the Series 2024 Bonds, and initially means the Bank.

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

"Interest Period" means a period of [one (1) month], provided that (i) the first Interest Period shall begin on the Closing Date and end on (but excluding) the next succeeding Bond Payment Date, and (ii) thereafter, each period commencing on (and including) the last day of the immediately preceding Interest Period and ending on (but excluding) the next Bond Payment Date (before any adjustment for a day that is not a Business Day), provided, (x) any Interest Period that would otherwise end on (but exclude) a day which is not a Business Day shall not be extended to the next succeeding Business Day; and (y) any Interest Period that would otherwise extend past the Maturity Date shall end on (but exclude) the Maturity Date. No Interest Period shall extend beyond the scheduled Maturity Date of the Series 2024 Bonds.

"Issuer" means (i) Dutchess County Local Development Corporation and its successors and assigns and (ii) any entity resulting from or surviving any consolidation or merger to which the Dutchess County Local Development Corporation or its successors or assigns may be a party.

"Issuer Documents" means collectively, the Series 2024 Bonds, this Bond Purchase Agreement, the Tax Regulatory Agreement and the IRS Form 8038.

"Land" shall have the meaning assigned to such term in the WHEREAS paragraphs of this Bond Purchase Agreement.

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

"Make-Whole Redemption Price" [To be provided, if any].

"Material Adverse Change" shall mean any set of circumstances or events that in the Bank's reasonable discretion, the business, prospects, operations, assets, liabilities or condition, financial or otherwise, of the School, or Property has changed in a manner which would materially impair the value of the Bank's security for the obligations of the School under this Bond Purchase Agreement, and the Pledge and Security Agreement, prevent timely payment of the obligations of the School under this Bond Purchase Agreement or the Pledge and Security Agreement or

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otherwise prevent the School, as applicable, from timely performing any of its material obligations under this Bond Purchase Agreement or the Pledge and Security Agreement.

"Maturity Date" means, October 1, 2032.

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

"Note" or "Promissory Note" means the Promissory Note dated the Closing Date, from the School to the Issuer, substantially in the form attached hereto as Exhibit C, evidencing the School's obligations to make loan payments required hereunder to the Issuer.

"Permitted Encumbrances" means (i) Liens of the School existing as of the Closing Date and/or Liens consented to, from time to time, by the Bank in writing, (ii)) utility, access and other easements and rights of way, restrictions and exceptions that do not materially impair the use or the value of the Property affected thereby for the purpose for which it is intended, (iii) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens, (iv) taxes, assessments and other charges, (v) Liens for taxes at the time not delinquent, (vi) purchase money mortgages, liens, leases or encumbrances on existing or newly acquired equipment (subject to the terms and conditions of the Bond Documents) and (vii) lease agreements or similar agreements with the individuals that are the residents at the Facility.

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

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

"Prime Rate" means, for any day, the rate published for such day opposite the caption "Bank prime loan" in Federal Reserve Publication H.15-519 (or any successor publication as published by the Board of Governors of the Federal Reserve System), and any announced changes in said published "Bank prime loan" rate shall result in an immediate and corresponding change in the Prime Rate without notice to or consent from the School.

"Project" shall have the meaning assigned to such term in the WHEREAS paragraphs of this Bond Purchase Agreement.

"Project Costs" shall mean the costs associated with undertaking the Project.

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

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened

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by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

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

"School" means Trinity-Pawling School Corporation, a not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, organized, existing and in good standing under the laws of the State of New York.

"School Documents" means this Bond Purchase Agreement, the Pledge and Security Agreement, the Tax Regulatory Agreement, and any other documents executed by the School in connection with the transactions contemplated by the Bond Documents, each as may be amended, restated, supplemented or otherwise modified, from time to time.

"Series 2013 Bonds" means the Issuer's Revenue Bonds (Trinity-Pawling School Corporation Project – Series 2013), initially issued in the aggregate principal amount of $18,830,000.

"Series 2013 Bonds Trustee" means The Bank of New York Mellon, a national banking association, as trustee for the Series 2013 Bonds.

"Series 2024 Bond" or "Series 2024 Bonds" means, the up to $[10,310,000] Dutchess County Local Development Corporation Revenue Refunding Bonds (Trinity-Pawling School Corporation Project), Series 2024.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"State" means the State of New York.

"Tax Regulatory Agreement" means the Tax Regulatory Agreement, dated the Closing Date, executed by the School and the Issuer regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2024 Bonds to remain excludable from gross income for federal income tax purposes.

"Tax Incidence Date" means the first date on which, as a result of the occurrence of an Event of Taxability, interest on the Series 2024 Bonds is includable in the gross income of the recipient thereof for federal income tax purposes.

"Term SOFR" and "Term SOFR Rate", as applicable, each mean, for each day during an Interest Period, the forward-looking term rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; (or if not so reported, then as determined by Lender from another recognized source or interbank quotation); *provided, however*, that if as of 5:00 p.m.

DRAFT

(New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Rate for the Available Tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to such Term SOFR Rate has not occurred, , then Term SOFR will be the Term SOFR Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day. If on or prior to the first day of any Interest Period, the Term SOFR Rate becomes unavailable or unlawful, or is determined by the Bondholder, in its sole and absolute discretion, to no longer be commercially viable in the marketplace, then the obligation of the Bondholder to make Term SOFR rate loans shall be suspended, and the term "Term SOFR" shall mean, as of the first day of the next Interest Period, the SOFR-based rates enumerated under the definition of Benchmark Replacement, considered in the order set forth therein, or, if such rates are not available, at the discretion of the Bondholder (i) such other index as is generally recognized in the relevant marketplace as the replacement for SOFR-based rates or (ii) in the absence of such an index, the Alternative Base Rate as defined below.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Rate).

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unassigned Rights" means (i) the rights of the Issuer under Sections 4.05, 4.06, 4.07, 4.14, 4.18, and 7.10 hereunder; (ii) the monies due and to become due to the Issuer for its own account or the members, officers, agents and employees of the Issuer for their own account; and (iii) the right to enforce the foregoing pursuant to the provisions hereof.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"Variable Interest Rate" means a variable rate equal to the sum of (i) the Applicable Margin and (ii) the "Term SOFR Rate" and multiplied by (c) the Equivalency Factor, rounded to the next highest basis point (0.01%).

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

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

(b) Words importing the redemption or calling for redemption of Series 2024 Bonds shall not be deemed to refer to or connote the payment of the Series 2024 Bonds at their respective stated maturity.

DRAFT

(c) All references herein to particular articles or Sections are references to articles or Sections of this Bond Purchase Agreement.

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

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

ARTICLE II
REPRESENTATIONS BY AND COVENANTS OF THE ISSUER, THE SCHOOL AND THE BANK

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

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

(b) The Issuer has full power and authority to issue and sell the Series 2024 Bonds to finance the Project Costs and to pay the costs of such financing as is provided in this Bond Purchase Agreement, to secure the Series 2024 Bonds in the manner provided in this Bond Purchase Agreement, and the Issuer has taken all actions and obtained all approvals required by the Act;

(c) The Issuer has duly adopted the Bond Resolution and has duly authorized the execution and delivery of each of the Issuer Documents, and the issuance and sale of the Series 2024 Bonds, and has taken all actions necessary or appropriate to carry out the same;

(d) The Issuer is not aware of any litigation or proceeding pending or, to the Issuer's knowledge, threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Series 2024 Bonds or the Issuer Documents;

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

The Issuer has not made and does not intend to make in connection with the Project or the sale of the Series 2024 Bonds to the Bank or otherwise any inquiry concerning the financial position or business condition of the School. The Issuer makes no warranty or representation as to the financial position or business condition of the School and does not represent or warrant as to any of the statements, materials, representations or certifications (financial or otherwise) made or furnished, or to be made and furnished by the School in connection with the Project or the sale of the Series 2024 Bonds to Bank or the making of disbursements hereunder or otherwise or as to the correctness, completeness or accuracy of such statements, materials, representations or certificates.

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Section 2.02. Covenants of the Issuer. Subject to Section 7.10 hereof, the Issuer hereby agrees with the Bank and the School that, so long as the Series 2024 Bonds remain unpaid:

(a) Except as provided in Section 4.24 hereof, the Issuer will take no action and, to the extent of its ability to do so, will suffer no action to be taken to terminate its existence;

(b) The Issuer will take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under the Series 2024 Bonds and each of the Issuer Documents and in order to provide for and to assure payment of the Series 2024 Bonds and interest thereon when due;

(c) The Issuer will not create, assume or suffer to exist any Lien or charge on any revenues derived or to be derived from the Series 2024 Bonds;

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

(e) The Issuer will pay or cause to be paid the principal of, premium, if any, and the interest on the Series 2024 Bonds as the same become due, but solely from certain of the revenues and receipts derived by the Issuer pursuant to this Bond Purchase Agreement and the other security given for the payment of the Series 2024 Bonds and solely to the extent provided in Section 7.10 hereof;

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

(g) The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action within its control, that would cause the interest on the Series 2024 Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

Section 2.03. Representations by the School. The School makes the following representations, all of which will survive the purchase of the Series 2024 Bonds:

(a) The School is a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, and has the full power and authority to enter into each of the School Documents and to carry out its obligations thereunder and by proper corporate action has been duly authorized to execute, deliver and perform its obligations under this Bond Purchase Agreement.

(b) The financial statements, if any, provided directly to the Bank are correct and complete in all material respects and fairly represent the financial condition of the School as

DRAFT

of the date indicated, and have been prepared in conformity with generally accepted accounting principles, consistently applied.

(c) Neither the School nor anyone acting on its behalf has, directly or indirectly, offered the Series 2024 Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Bank except for offers made to any "accredited investor", as such term is defined in Rule 501(a) as promulgated under the Securities, Act of 1933, as amended, or any "qualified institutional buyer", as such term is defined in Rule 144A as promulgated under the Securities Act of 1933, as amended.

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

(e) There has been no Material Adverse Change in the business, properties or financial condition of the School from that shown on the financial statements submitted to the Bank.

(f) There is no litigation or proceeding pending or, to the School's knowledge, threatened against the School challenging the validity of any of the School Documents or seeking to enjoin the performance of the obligations of the School. There are no actions, suits, proceedings or investigations pending or, to the School's knowledge, threatened against the School at law or equity before any Governmental Authority that individually or in the aggregate could reasonably be expected to result in any Material Adverse Change. The School is not aware of information, nor been advised (after consultation with its counsel) or received notice that, it is in violation of any order, writ, injunction or any decree of any Governmental Authority that could reasonably be expected to result in any Material Adverse Change. The School is not involved in any Act of Bankruptcy.

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

(h) The School will apply the proceeds from the sale of the Series 2024 Bonds for the sole purpose of providing funds for paying the Project Costs in accordance with Article IV of this Bond Purchase Agreement.

DRAFT

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

(j) The School has or will have good fee simple title to the Facility free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except the Permitted Encumbrances.

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

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

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

(n) The School does not have outstanding on the date hereof any indebtedness for borrowed money, except (i) indebtedness reflected on the financial statements previously delivered to the Bank, and (ii) indebtedness in connection with the Series 2024 Bonds.

(o) The School has no subsidiaries.

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

DRAFT

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

(q) The School's use, occupancy and operation of the Facility complies, to the best of the School's knowledge, with all applicable laws, statutes, rules and regulations.

(r) The School is not (i) in violation of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 et seq.), as amended; (ii) on the Specially Designated National and Blocked Person List maintained by the OFAC, Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation; (iii) in violation of the USA Patriot Act; (iv) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders; or (v) to the best of its knowledge, engaging in any dealings or transactions, or is otherwise associated, with any of the foregoing blocked Persons.

Section 2.04. Covenants of the School.

(a) The School agrees to provide or cause to be provided insurance or evidence of insurance as required by Section 4.04 hereof. The original policies of insurance or certificates thereof shall be deposited with the Bank.

(b) The Bank and its agents shall, at all times during the term of the Series 2024 Bonds, have the right of entry and free access to the Facility, upon reasonable notice to the School, except in cases of emergency, to inspect the Facility, and to inspect all books and records of the School kept in connection therewith; provided the exercise of such rights shall be during business hours at times reasonably convenient to the School and the Bank and shall not interfere in a material way with the School's operations.

(c) The School shall maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and from time to time, the School will make or cause to be made all appropriate repairs, renewals or replacements thereof.

(d) The School shall execute and deliver to the Bondholder all such documents and instruments and do all such other acts and things as may be reasonably necessary or required by the Bondholder to enable the Bondholder to exercise and enforce its rights under the Bond Documents and to record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be reasonably necessary or required by the Bondholder to validate, preserve and protect the position of the Bondholder under the Bond Documents.

Section 2.05. Representations by and Covenants of the Holder. The Holder represents to and covenants and agrees with the Issuer, and the School solely as described in the last sentence of this section, that:

DRAFT

(a) The Holder has had an opportunity to make such investigations and has had access to such information with respect to the School and its affairs and condition, financial and otherwise, which the Holder has deemed necessary in connection with and as a basis for the purchase of the Series 2024 Bonds by the Holder, and any and all information relating to the School and its affairs which the Holder has requested has been provided to the Holder.

(b) The Holder has approved the Series 2024 Bonds and each of the Bond Documents, and such documents contain the terms agreed to by the Holder.

(c) The Holder is an "accredited investor", as such term is defined in Rule 501(a) as promulgated under the Securities Act of 1933, as amended, and a "qualified institutional buyer", as such term is defined in Rule 144A as promulgated under the Securities Act of 1933, as amended, and is purchasing the Series 2024 Bonds (i) for its own account, for the purpose of investment and not with a present view to the distribution or resale thereof and (ii) not for the account of others. The Holder has not offered, offered to sell, offered for sale or sold the Series 2024 Bonds by means of any form of general solicitation or general advertising and will not sell the Series 2024 Bonds without registration under the applicable federal and state securities laws or an exemption therefrom. The Holder presently has no arrangement, written or oral, with any Person for the distribution, transfer or resale of the Series 2024 Bonds. Except in connection with a transfer or resale of the Series 2024 Bonds (or any portion thereof) to any "accredited investor", as such term is defined in Rule 501(a) as promulgated under the Securities Act of 1933, as amended, or any "qualified institutional buyer", as such team is defined in Rule 144A as promulgated under the Securities Act of 1933, as amended, the Holder (or the Bank on its behalf) agrees to notify the Issuer and the School at least thirty (30) days in advance in writing of any proposed transfer or resale of the Series 2024 Bonds or any portion thereof and to furnish to them prior to any such transfer or resale (i) an opinion of Bond Counsel that such transfer or resale does not and will not require registration of the Series 2024 Bonds under any applicable federal and state securities laws and (ii) a certificate of the purchaser of the Series 2024 Bonds to the effect that such purchaser has been provided with all requested disclosure information by the School. In the event such transfer is at the request of the School, the School shall pay all expenses incurred by the Holder, including reasonable attorneys' fees, in connection with such transfer or resale and the cost of obtaining the opinion of Bond Counsel referred to above. If the proposed transfer of the Series 2024 Bonds is other than at the request of the School, the Holder will bear such costs and expenses.

(d) The Holder understands that (i) the Series 2024 Bonds being purchased shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived by the Issuer pursuant to this Bond Purchase Agreement and the other security given for the payment of the Series 2024 Bonds, (ii) the Issuer has no power of taxation, and (iii) that the Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Facility or the suitability of the Facility for the School's purposes or needs or the extent to which the proceeds derived from the sale of the Series 2024 Bonds will be sufficient to pay the Projects Costs.

(e) The Holder has not requested or received from the Issuer any information which it, as a reasonable investor, deems important in reaching its investment decision to purchase the Series 2024 Bonds. It has received from the School and not the Issuer whatever information

DRAFT

requested with respect to the School and the Facility which it deems as a reasonable investor important in reaching its investment decision to purchase the Series 2024 Bonds. The Holder acknowledges that neither the Issuer nor its counsel nor Bond Counsel have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the School and that the Issuer, its counsel and Bond Counsel do not make any representations to the Holder with respect to the adequacy, sufficiency or accuracy of any financial statements and information or other information provided to the Holder or with respect to the ability of the School to pay the Series 2024 Bonds or fulfill its obligations with respect to the transactions contemplated in connection therewith. The Holder is not relying on any statements or representations by the Issuer with respect to: (i) the financial condition of the School, (ii) the creditworthiness of the School, (iii) the competency or integrity of the management of the School, or (iv) the suitability of the Facility for the School's business. The Holder has made an independent evaluation of the facts listed above without reliance upon any evaluation or investigation by the Issuer, its counsel or Bond Counsel as to any of them, except to the extent such facts are specifically opined upon by the Issuer's counsel or Bond Counsel in their respective opinion letters to be delivered to the Holder on the Closing Date.

(f) The Holder has not relied upon the determination of the Issuer to issue the Series 2024 Bonds to finance the Project for any purpose in connection with its evaluation of the School's financial condition, creditworthiness and competency, or of the integrity of the School's management, or of the suitability of the Facility for the School's business. The representations and covenants made by the Holder in this Section 2.05 are for the benefit of the Issuer and, solely with respect to Section 2.05(a) and (c) above, the School only and no other party may rely on or benefit therefrom, notwithstanding any other provision of this Bond Purchase Agreement.

ARTICLE III
CLOSING AND PURCHASE AND SALE OF SERIES 2024 BONDS

Section 3.01. Closing Date; Loan of Bond Proceeds. On the Closing Date, or on such other date as the Issuer, the Bank and the School may mutually agree upon, the Bank agrees to purchase the Series 2024 Bonds from the Issuer, in the amount of $[10,310,000] in immediately available funds, subject to the terms and conditions of this Bond Purchase Agreement.

The Issuer agrees to loan the Bond Proceeds to the School and the School agrees to pay to the Bank the principal of and interest on the Series 2024 Bonds and all other amounts due hereunder in accordance with the terms of this Bond Purchase Agreement and the Series 2024 Bonds.

Section 3.02. Conditions Precedent to Closing. The obligation of the Bank to make the loan contemplated by this Bond Purchase Agreement, to purchase the Series 2024 Bonds and to make advances hereunder shall be subject to receipt by the Bank of all documents and assurances required by the Commitment (unless otherwise waived by the Bank) and the receipt by the Bank of each of the following in form and substance reasonably satisfactory to the Bank and its counsel:

(a) The original, executed typewritten Series 2024 Bonds and executed originals of all of the other Bond Documents, including Form 8038.

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

(i) the valid corporate existence of the Issuer and the School;

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

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

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

(d) Evidence that the issuance of the Series 2024 Bonds has been approved by the applicable elected representative of Dutchess County, New York, after a public hearing was held.

(e) An opinion of counsel to the Issuer as to the valid corporate existence of the Issuer, the due authorization, execution and delivery by the Issuer of the Series 2024 Bonds and the other Issuer Documents, the absence of material litigation involving the Issuer and such other matters as the Bank, its counsel or Bond Counsel may reasonably request.

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

(g) An opinion of Nixon Peabody LLP, as Bond Counsel, as to the valid issuance of the Series 2024 Bonds under the Bond Resolution and the Act; the exclusion from gross income for federal income tax purposes of interest payable on the Series 2024 Bonds and the exemption from registration of the Series 2024 Bonds under the Securities Act of 1933, as amended.

(h) Evidence of insurance providing coverage required by Article IV hereof.

(i) Evidence satisfactory to the Bank that the available Bond Proceeds and other funds available to the School are sufficient to pay Project Costs.

(j) Evidence satisfactory to the Bank that the School is in full compliance with all applicable zoning and building codes and other applicable laws and requirements of any Governmental Authority.

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

Section 3.03. Provisions Relating to Exchange of Series 2024 Bonds.

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(a) The Series 2024 Bonds shall be issued in fully registered form, shall be payable in accordance with the provisions of the Series 2024 Bonds to the registered owner thereof as shown on the records maintained by the Issuer for the registration and transfer of the Series 2024 Bonds and shall be substantially in the form set forth in Exhibit A attached hereto.

(b) So long as the Series 2024 Bonds shall be outstanding and held by the Bank, the Issuer shall maintain, at the Bank's office, books for the registration and transfer of the Series 2024 Bonds and the Bank is hereby appointed, and by executing this Bond Purchase Agreement hereby accepts such appointment, as bond registrar (the "**Bond Registrar**"). The Bank, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Bank may prescribe, the Series 2024 Bonds.

(c) The Series 2024 Bonds shall be transferable only on the books of the Issuer, maintained by the Bond Registrar, upon surrender thereof at the main office of the Bank, together with such instruments, opinions, if any, and certificates as may be required by the provisions of the Series 2024 Bonds pertaining to the transfer thereof. No such transfer of the Series 2024 Bonds shall be valid unless the Issuer shall execute and deliver new Series 2024 Bonds registered in the name of the transferee, together with the receipt by the Issuer of payment of the reasonable fees and expenses of the Issuer.

(d) The Issuer and the Bank may deem and treat the Person in whose name the Series 2024 Bonds shall be registered upon the books of the Issuer, maintained by the Bond Registrar, as the absolute owner thereof, whether the Series 2024 Bonds shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on the Series 2024 Bonds and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Series 2024 Bonds to the extent of the sum or sums so paid. Neither the Issuer nor the Bank shall be affected by any notice to the contrary.

Section 3.04. Loss, Theft, Destruction or Mutilation of the Series 2024 Bonds. In the event the Series 2024 Bonds are mutilated, lost, stolen or destroyed, the Issuer may execute and deliver new Series 2024 Bonds of like maturity, interest rate and principal amount, bearing the same number, if any, as the mutilated, destroyed, lost or stolen Series 2024 Bonds and bearing a notation indicating the principal amount outstanding, in exchange for the mutilated bond, or in substitution for a bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer (i) such security or indemnity as may be required by it to save the Issuer and its members, servants, agents and employees harmless from all risks, however remote, reasonably related to such exchange or transfer, (ii) evidence to its satisfaction of the mutilation, destruction, loss or theft of the Series 2024 Bonds and of the ownership thereof and (iii) in the case of mutilation, the mutilated Series 2024 Bonds. Upon the issuance of a bond upon such exchange, or substitution, the Issuer may require the Holder of the Series 2024 Bonds to make the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer. In case the Series 2024 Bonds shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of the mutilation of the Series 2024 Bonds) if the applicant for such payment shall furnish to the Issuer such security or indemnity as it may require

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to save the Issuer and its members, servants, agents and employees harmless from all risks, however remote, and evidence satisfactory to the Issuer of the mutilation, destruction, loss or theft of the Series 2024 Bonds and of the ownership thereof.

Section 3.05. Commitment. The parties agree that the terms and conditions of the Commitment are incorporated herein and, except as otherwise provided in the Commitment, the terms and conditions of the Commitment shall not survive the making of the loan hereunder and the closing on the Closing Date. In the event of any variation between the provisions of this Bond Purchase Agreement and the Commitment with respect to the making of the loan hereunder and the purchase of the Series 2024 Bonds by the Holder, the provisions hereof shall govern.

ARTICLE IV
DISBURSEMENT OF BOND PROCEEDS; OTHER OBLIGATIONS OF SCHOOL; INSURANCE PROVISIONS

Section 4.01. Disbursement of Bond Proceeds.

(a) On the Closing Date, the Bank shall wire $[_____] to the Series 2013 Trustee to redeem in full the Series 2013 Bonds.

(b) [On the Closing Date, the Bank shall wire $[_____] in accordance with the wire instructions provided to the Bank in a certificate of requisition delivered to the Bank by the School.]

Section 4.02. Installation of Additional Equipment. The School from time to time may install any machinery, equipment and other personal property not constituting part of the Facility on or in the Facility (which may be attached or affixed to the Facility) as it may deem desirable. The School from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Facility and may create or permit to be created any Lien on such machinery, equipment or other personal property subject to the terms and conditions of the Bank Documents; provided that any such removal of such machinery, equipment or other personal property shall not impair the overall operating efficiency of the Facility for the purpose for which it is intended; and provided further that if any damage is occasioned to the Facility by such removal, the School shall at its own expense promptly repair such damages. The Issuer or the Bank shall not be responsible for any loss or damage to any property installed pursuant to this Section 4.02.

Section 4.03. Taxes, Assessments and Utility Charges.

(a) The School agrees to pay, as the same respectively become due, (i) all taxes and governmental charges of any kind (if any) whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other property installed or bought by the School therein or thereon, including, without limitation, any taxes levied upon or with respect to the income or revenues of the School from the Facility, (ii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, upkeep and improvement of the Facility and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements, provided

DRAFT

that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the School shall be obligated under this Bond Purchase Agreement to pay only such installments as are required to be paid during the term of the Series 2024 Bonds.

(b) The School may in good faith contest any such taxes, assessments and other charges (if any). In the event of any such contest, the School, with the consent of the Bank (which consent shall not be unreasonably withheld, conditioned or delayed), may permit the taxes, assessments and other charges so contested, to remain unpaid during the period of such contest and any appeal therefrom, unless the Issuer, the Bank or their respective members, officers, agents or servants may be liable for prosecution for such nonpayment in which event the School shall promptly take such action as shall be satisfactory to the Issuer.

Section 4.04. Insurance Required. At all times throughout the terms of the Series 2024 Bonds (except as specifically provided for in this Section) the School shall maintain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type; provided, however, that, the School shall maintain General Liability insurance (including contractual liability coverage, together with any umbrella liability insurance) naming the School as the primary insured, and the Issuer and the Bank as additional insureds, in accordance with customary insurance practices for similar operations with respect to the Facility and the business thereby conducted in a minimum amount of $5,000,000 (or such lesser amount agreed upon by the Issuer upon written request by the School) per occurrence aggregate, which insurance (A) will also provide for Contractual Liability insurance consistent with that which is commercially available under General Liability policies at commercially reasonable rates and which is customarily maintained by other enterprises of like size and type as that of the School, and (B) may be effected under overall blanket or excess coverage policies of the School; provided, however, that, at least $500,000 is effected by a General Liability insurance policy.

Section 4.05. Additional Provisions Respecting Insurance. All policies evidencing insurance coverages required by Section 4.04 hereof shall provide for thirty (30) day written notice to, the Issuer and the Bank of cancellation, reduction in policy limits or material change in coverage thereof. The original policy, or a certificate evidencing insurance, of all insurance required by Section 4.04 shall be delivered to the Issuer and the Bank on or before the Closing Date. At least thirty (30) days prior to the expiration of any such policy, the School shall furnish to the Issuer and the Bank evidence that the policy has been renewed or replaced or is no longer required by this Bond Purchase Agreement.

THE PARTIES HERETO ACKNOWLEDGE THAT THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OF COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT FOR THE PURPOSES CONTEMPLATED HEREUNDER OR TO PROTECT THE OPERATION OF THE FACILITY OR THE BUSINESS, OPERATIONS OR FINANCIAL CONDITION OF THE SCHOOL.

Section 4.06. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to Section 4.04 hereof shall be applied in accordance with the terms thereof.

DRAFT

Section 4.07. Right of the Bank or the Issuer to Pay Taxes, Insurance Premiums and Other Charges. If the School fails (i) to pay any tax, assessment or other governmental charge required to be paid by Section 4.03 hereof or (ii) to maintain any insurance required to be maintained by Section 4.04 hereof, the Bank or the Issuer, may, but are not required to, pay such tax, assessment or other governmental charge or for such insurance. The School shall reimburse the Bank or the Issuer, as the case may be, for any amount so paid by the Bank or the Issuer pursuant to this Section 4.07, together with interest thereon from the date of payment by the Bank or the Issuer, as the case may be, at the rate of interest equal to four percent (4.00%) in excess of the rate at which interest is then accruing on the Series 2024 Bonds, or the maximum rate permitted by law, whichever is less. Notwithstanding anything in this Section to the contrary, prior to paying any such tax, assessment, governmental charge or insurance premium, the Bank and/or the Issuer, as applicable, shall give the School twenty (20) days' notice of its intent to make such payment, provided, however, that the failure of the Bank or the Issuer to provide such notice shall not discharge the School's obligation to make reimbursements therefor under this Section.

Section 4.08. Reserved.

Section 4.09. Damage or Destruction. In the event of a taking of the Facility or any portion thereof by eminent domain or by condemnation, or damage or destruction affecting all or part of the Facility, then and in such event proceeds of any insurance, condemnation or eminent domain award shall, if in excess of $50,000, be paid upon receipt thereof by the School to the Bank for deposit in the Reconstruction Fund established pursuant to Section 4.11 hereof, and

(i) if within one hundred twenty (120) days from the receipt by the Issuer of actual notice or knowledge of the occurrence, the School and the Bank agree in writing, with a copy to the Issuer, that the Facility or the affected portion thereof shall be repaired, replaced or restored, the School shall proceed to repair, replace or restore the Facility or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as commercially possible with such changes and additions as shall be appropriate to the needs of the School and approved in writing by the Bank and the Issuer, such approval not to be unreasonably withheld or delayed; or

(ii) if no agreement for the repair, restoration or replacement of the Facility or the affected portion thereof shall be reached by the School and the Bank within such one hundred twenty (120) day period, the proceeds then held by the School shall be paid to the Bank for the redemption of the Series 2024 Bonds in accordance with Section 5.02 hereof and the proceeds then held in the Reconstruction Fund shall be applied to the redemption of Outstanding Series 2024 Bonds in accordance with Section 5.02 hereof.

Section 4.10. Reserved.

Section 4.11. Escrowing of Net Proceeds. Any Net Proceeds with respect to the events referred to in Sections 4.09 hereof shall be remitted to the Bank for deposit into a new account known as the "Dutchess County Local Development Corporation Reconstruction Fund – Trinity-Pawling School Corporation Project". (the "**Reconstruction Fund**"). Provided no Event of Default has occurred and is continuing, the monies in the Reconstruction Fund shall be administered in accordance with the Bank's then current requirements for building loan advances.

DRAFT

The funds required for repair, replacement or restoration shall be paid from time to time as the work progresses, subject to such conditions and limitations as the Bank may reasonably impose, from the Net Proceeds of insurance, condemnation or eminent domain awards received by reason of such occurrence and, to the extent such Net Proceeds are not sufficient, from funds to be provided by the School.

Section 4.12. Condemnation of School -Owned Property. The School shall be entitled to the proceeds of any Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is owned by the School.

Section 4.13. No Warranty of Condition or Suitability by the Issuer; Acceptance "As Is". THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR ANY PORTION THEREOF OR THAT THE FACILITY OR ANY PORTION THEREOF IS OR WILL BE SUITABLE FOR THE SCHOOL'S PURPOSES OR NEEDS. NO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE. MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER LATENT OR PATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

Section 4.14. Hold Harmless Provisions.

(a) The School agrees that the Issuer, the Bank and their respective members, officers, directors, employee or agents shall not be liable for, and agrees to defend, indemnify, release and hold the Issuer, the Bank and their respective members, officers, directors, employees and agents harmless from and against, any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Facility or (ii) liability arising from or expense incurred by the Issuer's financing of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the School of any of the covenants contained herein, all claims, causes of action, judgments, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of an Event of Default hereunder or under any of the other Bond Documents or an occurrence, which with the giving of notice or the passage of time, would ripen into an Event of Default, and all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Bank or their respective members, officers, directors, employees or agents are not incurred or do not result from the gross negligence or the intentional or willful wrongdoing of the Issuer, the Bank or their respective members, officers, directors, employees or agents, as the case may be. Except as otherwise provided; the foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or the Bank or any of their respective members, officers, directors, employees or agents and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability.

(b) In the event of any claim against the Issuer, the Bank or any of their respective officers, members, employees, servants or agents by any employee of the School or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may

DRAFT

be liable, the obligations of the School hereunder shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefits payable by or for the School or such contractor under Workers' Compensation acts, disability benefits or other employee benefit acts.

(c) To effectuate the provisions of this Section 4.14, the School agrees to provide for and insure, in the liability policies required in Section 4.04 hereof, its liabilities assumed pursuant to this Section 4.14, to the extent such liabilities are insurable.

(d) Notwithstanding any other provisions of this Bond Purchase Agreement, the obligations of the School pursuant to this Section 4.14 shall remain in full force and effect after the payment in full of the Series 2024 Bonds until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer, the Bank and any of their respective officers, members, employees, servants or agents, relating to the enforcement of the provisions herein specified.

Section 4.15. Agreement to Provide Information. The School agrees, whenever requested by the Issuer, to comply with reasonable requests by the Issuer for information concerning the School, its finances and other topics as the Issuer, from time to time considers reasonably necessary or appropriate, including, but not limited to, such information as to enable the Issuer to make any reports required by law, governmental regulation or the Bond Purchase Agreement.

Section 4.16. Compliance With Orders, Ordinances, Etc.

(a) The School agrees that it will, until the Series 2024 Bonds are paid in full, promptly materially comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of any Governmental Authority, companies or associations insuring the premises, courts, authorities, officials, and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 4.16, the School may in good faith contest the validity or the applicability of any requirement of the nature referred to in subsection (a) above, provided that the School shall have first notified the Issuer and the Bank of such contest. In such event, the School may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Bank shall notify the School that, by failure to comply with such requirement or requirements the Issuer or the Bank or any of their respective members, officers, agents or servants may be liable for prosecution for failure to comply therewith, in which event the School shall promptly take such action with respect thereto as shall be satisfactory to the Issuer or the Bank.

Section 4.17. Discharge of Liens and Encumbrances.

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

DRAFT

(b) Notwithstanding the provisions of subsection (a) of this Section 4.17, the School may in good faith contest any such Lien, provided that the School shall have first notified the Issuer and the Bank of such contest. In such event, the School may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Bank shall notify the School that by nonpayment of any such item or items the Facility or any part of the Facility may be subject to loss or forfeiture, in which event the School shall promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Issuer and the Bank, thereby causing such Lien to be removed.

Section 4.18. Performance by Issuer of School's Obligations. Should the School fail to make any payment or to do any act as herein provided for a period of seven (7) days after receiving written notice of such failure to pay or act (and without releasing the School from any obligation herein), the Issuer may make or do the same, including without limitation, appearing in and defending any action purporting to affect the rights or powers of the School, or the Issuer, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the School will pay immediately upon demand all sums so expended by the Issuer under the authority hereof, together with interest thereon at a per annum rate of interest equal to (i) four percent (4.00%) in excess of the rate of interest accruing on the Series 2024 Bonds, or (ii) the maximum rate permitted by law, whichever is less. Notwithstanding anything in this Section to the contrary, prior to making any payment, the Issuer shall give the School ten (10) days' notice of its intent to make such payment; provided, however, that the failure of the Issuer to provide such notice shall not discharge the School's obligation to make reimbursements therefor under this Section.

Section 4.19. Covenant Against Arbitrage Bonds; Maintain Tax-Exempt Status Rebate Requirement. So long as the Series 2024 Bonds shall be outstanding, neither the Issuer nor the School shall (i) use, or direct or permit the use of, the Bond Proceeds or any other monies within their respective control (including, without limitation, the proceeds of any insurance settlement or any Condemnation award with respect to the Facility) in any manner which would cause the Series 2024 Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in Section 148 of the Code, or (ii) take any action, or fail to take an action, or permit any circumstances within its control to arise or continue, that could cause the interest on the Series 2024 Bonds to be includable in gross income for federal income tax purposes. The Issuer authorizes the School, in the Issuer's behalf, to calculate and make the rebate payments required by Section 148(f) of the Code. The Issuer agrees to cooperate with the School in complying with the requirements of Section 148(f) of the Code, including executing any forms necessary for such compliance thereof.

Section 4.20. School to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The School agrees that during the term of the Series 2024 Bonds it will maintain its corporate existence, will not dissolve or liquidate or otherwise dispose of all or substantially all of its assets, and will not merge or be consolidated with or into any other Person or permit one or more Persons to consolidate with or merge into it without the prior written consent of the Issuer and the Bank and without complying with the second sentence of this Section. In addition to Bank and Issuer consent pursuant to this Section, no such merger, consolidation or transfer or acquisition of assets shall occur until the following conditions are met: (a) the surviving, resulting or transferee entity (if other than the School), as the case may be, is organized under the laws of one of the states of the United States of America and qualifies to do business in the State,

DRAFT

(b) the surviving, resulting or transferee entity (if other than the School), as the case may be, assumes in writing all of the obligations of and restrictions on the School under this Bond Purchase Agreement, the Tax Regulatory Agreement and the Bank Documents to which it is a party, (c) the proposed transaction will not adversely affect the exclusion of the interest payable on the Series 2024 Bonds from the gross income of the Holder for federal income tax purposes, and (d) as of the date of such consolidation, merger, sale or transfer, School shall, at its own expense, furnish the Issuer and the Bank with (i) an opinion of Independent Counsel opining as to the compliance with items (a) and (b) of this Section (but only if the surviving, resulting or transferee entity is other than the School), (ii) an opinion of Bond Counsel as to the compliance with item (c), (iii) a certificate dated the effective date of such consolidation, merger, sale or transfer, signed by an Authorized Officer of the School and the general partner or chief executive officer, whichever is applicable, of the surviving, resulting or transferee entity (if other than the School), as the case may be, to the effect that immediately after consummation of the transaction, and after giving effect thereto, no Event of Default exists under this Bond Purchase Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default and (iv) such other documents, instruments and certificates as Issuer and/or the Bank may reasonably request.

Section 4.21. Employment Opportunities, Notice of Jobs. The School covenants and agrees that, in consideration of the participation of the Issuer in the transaction contemplated herein, it will, except as otherwise provided or governed by collective bargaining contracts or agreements to which it is a party, cause any new permanent employment opportunities created in connection with the Project to be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Workforce Investment Act, as amended, in which the Project is located (collectively, the "**Referral Agencies**"). The School also agrees that, except as otherwise provied or governed by collective bargaining contracts or agreements to which it is a party, it will use its best efforts to consider first for such new permanent employment opportunities persons eligible to participate in federal job training partnership (Workforce Investment Act) programs who shall be referred by the Referral Agencies.

Section 4.22. Restriction on Transfer of Facility.

(a) Except as otherwise specifically provided in this Section 4.22 and except for Permitted Encumbrances, the School shall not during the term of the Series 2024 Bonds sell, convey, transfer, encumber or otherwise dispose of the Facility or any part thereof or any of its rights hereunder, without the prior written consent of the Issuer. Prior to each proposed transfer, encumbrance or disposition of the Facility, the School shall provide the Issuer with the following:

(1) A copy of the proposed instruments transferring such title to, or interest in, the Facility or part of the Facility;

(2) A certificate of the School stating that the School is not then in default under this Bond Purchase Agreement or the Pledge and Security Agreement and that the transfer is made in the ordinary course of business or made in return for other property of equal or greater value;

DRAFT

(3) Evidence satisfactory to the Issuer that the transferee will be assuming the obligations of the School hereunder;

(4) An unqualified opinion of Bond Counsel to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds shall not be adversely affected thereby; and

(5) The written consent of the Bank to such transfer.

Upon receipt of the items set forth in (1) through (5) above, the Issuer's consent to a proposed transfer, encumbrance or disposition of the Facility shall not be unreasonably withheld.

The foregoing provisions of this subsection (a) shall not apply to any lease agreement, residency agreement or similar agreement entered into by the School in the ordinary course with a resident of the Facility.

(b) No conveyance of all or any portion of the Facility or interest therein effected under the provisions of this Section 4.22 shall entitle the School to any abatement or diminution of any amounts payable under this Bond Purchase Agreement, the Note, and the Series 2024 Bonds. No assignment, sale or other disposition of the Facility shall relieve the School from primary liability for any of its obligations hereunder.

Section 4.23. Removal of Assets.

(a) In any instance where the School determines in good faith that any tangible asset shall have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary or should otherwise be replaced, the School may, to the extent permitted under the Tax Regulatory Agreement, either (a) remove such items which constitute tangible assets not in excess of $50,000 annually in the aggregate, without substitution or payment, and without the Bank's prior written consent; or (b) remove such items and substitute and install other tangible assets having equal or greater value (but not necessarily the same function) in the operation of the School's business.

(b) The removal of any item of Equipment pursuant to this Section 4.23 shall not entitle the School to any abatement or diminution of any amounts payable under this Bond Purchase Agreement, the Note, or the Series 2024 Bonds. At the request of the School, the Issuer and the Holder shall execute and deliver to the School all instruments necessary or appropriate to enable the School to sell or otherwise dispose of any such item of Equipment free from the Liens of the Bond Documents. The School shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from the Liens of the Bond Documents any item of Equipment removed pursuant to this Section 4.23.

Section 4.24. Merger of Issuer.

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

DRAFT

(1) the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds shall not be adversely affected thereby and the Issuer provides the Holder with an opinion of Bond Counsel as to the same; and

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

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

Section 4.25. Financial Covenants.

(a) The School will maintain for each Fiscal Year a minimum ratio of Cash Flow Available for Debt Service to Annual Debt Service ("Debt Service Coverage Ratio" or "DSCR") of 1.0 to 1.0 (the "**Minimum DSCR**"). If at any time during the Loan term, the Debt Service Coverage Ratio falls beneath the Minimum DSCR, the Bank shall provide notice to the School in writing of the failure and the School shall have ninety (90) days from the date of written notification by the Bank to cure the failure by: (1) making the required principal paydown of the Loan necessary to achieve the Minimum DSCR (the "**Required Paydown**") or (2) depositing with the Bank in escrow, a cash sum in an amount equal to the Required Paydown (the "**Escrow Deposit**"). The School's failure to (x) make the Required Paydown or (y) deliver the Escrow Deposit will constitute an Event of Default under this Bond Purchase Agreement.

(b) The School will maintain minimum liquidity of $15,000,000 in unrestricted cash and investments (as identified in such line item in the School's audited financial statements), and a minimum of $10,000,000 in unrestricted assets (as identified in such line item in the School's audited financial statements), tested annually as of the last day of each Fiscal Year based on the audited financial statements of the School. The School is permitted to use or expend any amounts that count toward these covenants between annual testing dates without any restriction, provided they replenish such amounts by the next annual testing date. The School's failure to comply with this covenant will constitute an Event of Default under this Agreement

Section 4.26. Reporting.

The School shall submit to the Bank annually:

(a) Within one hundred twenty (120) days of each Fiscal Year end, the audited financial statements of the School and annual management prepared forecasts;

(b) Semiannually, on each January 1 and July 1, unaudited financial statements in the form and content satisfactory to the Bank;

DRAFT

(c) Semiannually, on each January 1 and July 1, accounts and tuition receivable aging reports, and contribution aging receivable reports; and

(d) Such other information as the Bank may require.

Section 4.27. School Tax Covenants.

(a) The School agrees (i) to maintain the tax-exempt status of the Series 2024 Bonds, and (ii) to not take any action, or not fail to take any action, or permit any circumstances within its control to arise or continue, if such action or circumstances, or its expectation on the Closing Date, would cause the Series 2024 Bonds to be "arbitrage bonds" under the Code or cause the interest paid on the Series 2024 Bonds to be subject to federal income taxation in the hands of the Holders thereof.

(b) The School shall comply with all of the terms, provisions and conditions set forth in the Tax Regulatory Agreement, including, without limitation, the making of any payments and filings required thereunder.

(c) The School agrees to pay all costs of compliance with the Tax Regulatory Agreement and costs of the Issuer relating to any examination or audit of the Series 2024 Bonds by the Internal Revenue Service (including fees and disbursements of lawyers and other consultants).

(d) Except as provided in this Section 4.27(d), neither the School nor any Related Person (as defined in the Tax Regulatory Agreement) to the School shall purchase Series 2024 Bonds in an amount related to the amount of the Loan. The School shall have the option, at any time during the term of this Bond Purchase Agreement, to purchase the Series 2024 Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Bank. The Series 2024 Bonds so purchased by the School or by any affiliate of the School pursuant to this Section shall be delivered to the Issuer for cancellation within fifteen (15) days of the date of purchase unless the School shall deliver to the Issuer an opinion of Bond Counsel to the effect that the failure to surrender such Series 2024 Bonds by such date will not affect the exclusion of the interest on any Series 2024 Bonds from gross income for federal income tax purposes.

DRAFT

ARTICLE V
PREPAYMENT BY ISSUER

Section 5.01. Payment of Principal and Interest.

(a) The School, on behalf of the Issuer, shall pay or cause to be paid to the Bondholder interest, premium, if any, and the principal of the Series 2024 Bonds in accordance with the terms thereof and herein. The School's obligation to make such payments shall be evidenced by the Note, substantially in the form attached hereto as Exhibit C.

(b) The Series 2024 Bonds shall bear interest at the Variable Interest Rate. Interest shall accrue in arrears on the principal balance of the Series 2024 Bonds outstanding from

time to time at the Variable Interest Rate. The Term SOFR Rate shall be determined by Bondholder prior to the commencement of each Interest Period as defined herein below. The Term SOFR Rate shall remain in effect, subject to the provisions hereof, from and including the first day of the Interest Period to and excluding the last day of the Interest Period for which it is determined. In no event shall the interest contracted for, charged or received on the Series 2024 Bonds plus any other charges in connection with the Series 2024 Bonds which constitute interest exceed the maximum interest permitted by law.

(c) Interest on the Series 2024 Bonds shall be calculated on the basis of a 360-day year and charged for the actual number of days elapsed in an interest period; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding during the Interest Period. All interest payable under the Series 2024 Bonds is computed using this method.

(d) Commencing on [April 1, 2024], and on the same day of each succeeding monthly period, seriatim, while the Series 2024 Bonds are outstanding (each a "Bond Payment Date") payments of principal as set forth in Schedule A to the Series 2024 Bonds, together with accrued interest shall be due and payable with the entire outstanding principal balance due on the Maturity Date. If a payment for any relevant Bond Payment Date would otherwise fall on a day that is not a Business Day, such payment will be due on the first following day that is a Business Day.

(e) If there shall occur an Event of Taxability, the rate of interest on the Series 2024 Bonds shall be adjusted, to the extent permitted by law, to the Bank Taxable Rate, commencing on the Tax Incidence Date.

(f) If any amount contracted for, charged or received with respect to the Series 2024 Bonds or any prepayment by the School results in the computation or earning of any interest in excess of that permitted by law, then (i) such excess sum received by Bondholder will be credited as a payment of principal unless the School notifies Bondholder in writing that the School elects to have such excess returned to the School, and (ii) the provisions of this Bond Purchase Agreement and the Series 2024 Bonds will immediately be deemed reformed to comply with applicable law and to permit the recovery of the fullest amount otherwise provided by this Bond Purchase Agreement and the Series 2024 Bonds.

(g) Payment of interest on the Series 2024 Bonds shall at all times be subject to the Benchmark Replacement Provisions set forth in Exhibit B hereto.

Section 5.02. Prepayment of the Series 2024 Bonds. The Series 2024 Bonds are subject to prepayment by the Issuer at the option of the School, in whole or in part, on any Business Day, at a redemption price equal to [103% of] the principal amount of the Series 2024 Bonds to be redeemed, plus accrued interest to the date of redemption[, plus the Make-Whole Redemption Price].

Section 5.03. Discharge of Bond Purchase Agreement. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, the principal of, premium, if any, and interest on the

DRAFT

Series 2024 Bonds and all other amounts payable by the Issuer under this Bond Purchase Agreement, then all covenants, agreements and other obligations of the Issuer hereunder shall thereupon terminate and be discharged and satisfied, and thereupon all the monies and properties of the Issuer then subject to such security interests shall be free and clear thereof. In such event, the Bank shall execute and record or file, at the expense of the School, all documents requested by the Issuer to effect such discharge and satisfaction.

ARTICLE VI
DEFAULT PROVISIONS AND REMEDIES

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

(a) The Issuer or the School fails to pay (or cause to be paid) the principal of, or interest on the Series 2024 Bonds, when the same shall become due and payable;

(b) (i) The Issuer or the School fails to observe and perform any covenant, condition or agreement set forth in Section 4.04 or 4.25 hereof;

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

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

(c) The occurrence of an Event of Default under the Pledge and Security Agreement or any of the other Bond Documents;

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

(e) The Issuer, the School or an authorized representative of any of them, shall have made, in any certificate, statement, representation, warranty or financial statement furnished to the Bank in connection with the financing of the Facility, a material representation which proves to have been false or misleading as of the time such statement was made, or any such certificate,

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statement, representation, warranty or financial statement shall omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(f) If the School (i) fails to pay any other indebtedness (other than with respect to the Series 2024 Bonds) owing by the School when due (or, if permitted by the terms of the applicable document, within any applicable grace period) to the Bank, whether such other indebtedness shall become due by scheduled maturity, by required prepayment, by acceleration, by demand or otherwise or (ii) fails to perform any material term, covenant or agreement on its part to be performed under any agreement or instrument (other than the Series 2024 Bonds) evidencing or securing or relating to any indebtedness owing by the School to the Bank when required to be performed if the effect of such failure is to permit the Bank to accelerate the maturity of such indebtedness;

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

(h) If the School (i) is adjudicated a debtor or insolvent, or ceases, is unable, or admits in writing its inability, to pay its debts as they mature, or makes an assignment for the benefit of creditors; (ii) applies for, or consents to, the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property, or any such receiver, trustee, or similar officer is appointed without the application or consent of the School; (iii) institutes, or consents to the institution of, by petition, application, or otherwise, any bankruptcy reorganization, arrangement, readjustment of debt, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; (iv) has any such proceeding described in clause (iii) instituted against it and such proceeding remains thereafter undismissed for a period of sixty (60) days; or (v) has any judgment, writ, warrant of attachment or execution or similar process issued or levied against a substantial part of its property and such judgment, writ, or similar process is not released, or fully bonded within sixty (60) days after its issue or levy;

(i) If the School, or any other Person providing collateral support for the School's obligations hereunder directly or indirectly, shall challenge, or indicate their intention to challenge, the validity and binding effect of any provision of this Bond Purchase Agreement or any document evidencing or securing the School's indebtedness under the Series 2024 Bonds (each a "**Collateral Document**" and collectively, the "**Collateral Documents**") or the Collateral Documents shall for any reason (except to the extent permitted by their express terms) cease to be effective or cease to have the priority lien position required by the terms thereof or the collateral is no longer available, for any reason;

Section 6.02. Remedies on Default

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Whenever any Event of Default shall have occurred, the Bondholder may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the School, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid amounts payable pursuant to Section 5.01 hereof and pursuant to the Note in amount equal to 103% of the aggregate unpaid principal balance of all Series 2024 Bonds together with all interest which has accrued and will accrue thereon to the date of payment, and (B) all other payments due under this Bond Purchase Agreement; provided, however, that if an Event of Default specified in Section 6.01(h) hereof shall have occurred, such payments and any other payments due under this Bond Purchase Agreement and the Note shall become immediately due and payable without notice to the School or the taking of any other action by the Bondholder; and

(ii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the School under this Bond Purchase Agreement.

Section 6.03. Reserved.

Section 6.04. Application of Monies. The Net Proceeds received by the Bank pursuant to any right given or action taken under the provisions of this Article VI shall, during the continuance of an Event of Default, be applied first by the Bank to the costs of exercising such right or action and second to the payment of interest and principal on the Series 2024 Bonds in any order, in its sole discretion.

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

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

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

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

(b) No delay or omission of the Bank to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given

DRAFT

by this Article VI to the Bank may be exercised from time to time and as often as may be deemed necessary, expedient or desirable.

ARTICLE VII
MISCELLANEOUS

Section 7.01. School to Pay Expenses. The School agrees to pay, upon demand, the following: (a) the reasonable fees and expenses of the Issuer and its counsel, and all other reasonable costs and expenses incidental to the financing hereunder, the issuance of the Series 2024 Bonds and the costs of producing the documents referred to herein, including the fees and expenses of Bond Counsel plus disbursements; (b) all taxes, if any, upon all documents and transactions pursuant to, or contemplated by, this Bond Purchase Agreement; (c) all expenses of all recordings and filings pursuant to or contemplated by this Bond Purchase Agreement; (d) appraisal and environmental review fees and expenses; and (e) all costs of collection in the event of the occurrence of an Event of Default under this Bond Purchase Agreement including, without limitation, principal, interest and fees, or in connection with the enforcement of, or realization on, any security for the Series 2024 Bonds, including, without limitation, to the extent permitted by applicable law, reasonable attorneys' fees and expenses.

Section 7.02. Recording and Filing.

(a) The School shall cause to be recorded or filed, as the case may be, in the appropriate office, the financing statements under the Uniform Commercial Code of the State in such manner and in such places as may be required by law to perfect the security interests contemplated herein and in the Pledge and Security Agreement.

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

Section 7.03. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to, be implied from this Bond Purchase Agreement or the Series 2024 Bonds is intended or shall be construed to give to any Person, other than the parties hereto, and their successors and assigns, any right, remedy or claim under or with respect to this Bond Purchase Agreement or any covenants, conditions and provisions herein contained. This Bond Purchase Agreement and all of the covenants, conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their successors and assigns as herein provided.

Notwithstanding any provision of this Bond Purchase Agreement to the contrary, any and all rights of the Bondholder may be exercised by the Bank only, on behalf of such, Bondholder, and the School and the Issuer shall deal solely and directly with the Bank in connection with the any Bondholder's rights and obligations under this Bond Purchase Agreement.

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Section 7.04. Severability.

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

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

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

(1) if to the Issuer, to

Dutchess County Local Development Corporation
3 Neptune Road
Poughkeepsie, New York 12601
Attention: Sarah Lee, Chief Executive Officer

with a copy to

Cappillino, Rothschild & Egan LLP
7 Broad Street
P.O. Box 390
Pawling, New York 12564-0390
Attention: Donald Cappillino, Esq.

(2) if to the Institution, to

Trinity-Pawling School Corporation
700 Route 22
Pawling, NY 12564
Attention: William W. Taylor, Head of School and Glenn C. Carey, Chief Operating Officer

with a copy to

[_____]
[_____]
[_____]
Attention: [_____], Esq.

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(3) if to the Bank, to

PCSB Bank
Corporate Headquarters
2651 Strang Blvd.
P.O. Box 712
Yorktown Heights, New York 10598
Attention: Kimberly H. DeMilia, Executive Vice President

with a copy to

Cullen and Dykman LLP
433 Hackensack Avenue
Hackensack, New Jersey 07601
Attention: Patricia Russo-Owen, Esq.

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

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

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

Section 7.07. Applicable Law; Indemnity. This Bond Purchase Agreement shall be governed exclusively by the applicable laws of the State of New York without regard or reference to its conflict of laws principles. The parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of causes of action arising hereunder or under the Series 2024 Bonds. **WHETHER THE CLAIM IS DECIDED BY ARBITRATION OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

The School will defend, indemnify and hold the Bank and the Issuer harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Bond Purchase Agreement, the Series 2024 Bonds or any document required hereunder, (b) any credit extended or committed by the Bank to the School hereunder and under the Series 2024 Bonds, and (c) any litigation or proceeding related to or arising out of this Bond

DRAFT

Purchase Agreement, the Series 2024 Bonds or any such document, or any such credit other than the Issuer's or the Bank's gross negligence or willful misconduct, by reason of any matter relating, directly or indirectly, to this Bond Purchase Agreement. This indemnity includes but is not limited to reasonable attorneys' fees (including the allocated cost of in-house counsel). This indemnity extends to the Bank, the Issuer, their respective parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the Series 2024 Bonds and of the School's obligations to the Bank. All sums due to the Bank hereunder and under the Series 2024 Bonds shall be obligations of the School, due and payable immediately without demand.

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

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

Section 7.10. No Recourse; Special Obligation of Issuer.

(a) All covenants, stipulations, promises, agreements and obligations (collectively, the "**Obligations**") of the Issuer contained in the Bond Documents or in any other instruments in connection therewith and any amendments or supplements thereto shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, servant or employee of the Issuer (collectively, an "**Employee of the Issuer**") in his or her individual capacity, and no recourse under or upon any Obligation in the Bond Documents contained or otherwise based upon or in respect of this Bond Purchase Agreement or the other Bond Documents, or for the Series 2024 Bonds, or for any claim based thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future Employee of the Issuer, as such, or of any successor not-for-profit corporation or entity or any person executing any of the Bond Documents, either directly or through the Issuer or any successor not-for-profit corporation or entity or any person so executing the Series 2024 Bonds or any other of such Bond Documents on behalf of the Issuer, it being expressly understood that the Bond Documents and the Series 2024 Bonds issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by any such Employee of the Issuer or of any successor not-for-profit corporation or entity or any person so executing the Bond Documents because of the creation of the indebtedness thereby authorized, or under or by reason of the Obligations contained in the Bond Documents or implied therefrom; and that any and all

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such personal liability of, and any and all such rights and claims against, every such Employee of the Issuer because of the creation of the indebtedness authorized by the Bond Documents, or under or by reason of the Obligations contained in any of the Bond Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Bond Documents and the issuance of the Series 2024 Bonds.

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

(c) Notwithstanding any provision of this Bond Purchase Agreement to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (i) the Issuer shall have been requested to do so in writing by the School or the Bank and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, officer, agent, servant or employee of the Issuer) of any liability, fees, expenses or other costs, the Issuer shall have received from the party making such request security, or indemnity satisfactory to the Issuer for protection against all such liability and for the reimbursement of all such fees, expenses and other costs. The failure to provide such indemnity, however, shall not prevent the occurrence or continuance of an Event of Default hereunder or the full force and effect of any of the remedies or actions authorized hereunder to be taken by the Bank as a result of such Event of Default.

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

Section 7.12. Survival. This Bond Purchase Agreement shall survive the purchase and sale of the Series 2024 Bonds and shall remain in full force and effect until the Series 2024 Bonds together with interest thereon and all amounts payable under this Bond Purchase Agreement, the Note, and all of the other Bond Documents shall have been paid in full.

Section 7.13. Conflicts. Should there be any conflict between the terms of this Bond Purchase Agreement and the terms contained in the Pledge and Security Agreement, the Series 2024 Bonds or any other Bank Document, as between the School on the one hand and the Bank on the other hand, the terms of the Pledge and Security Agreement shall control.

Section 7.14. Assignment and Participation. Any Bondholder may, at its own cost, make assignments of or sell participations in its rights and obligations under this Bond Purchase Agreement and the other Bond Documents, in whole or in part, at any time subject to the provisions of Sections 2.05 and 3.03(c) hereof. In the case of any such assignment, the Bondholder shall be appointed to act as administrative agent pursuant to the terms of an administrative agent agreement to be entered into by the bondholders and the administrative agent, and the assignee of such Bondholder's rights and/or obligations shall be entitled, to the extent of such assignment, to the

DRAFT

full benefit of this Bond Purchase Agreement to the same extent as if it were an original party in respect of the rights or obligations assigned to it. In the case of any such participation, the Bank shall be appointed to act as administrative agent pursuant to the terms of an administrative agent agreement to be entered into by the bondholders and the administrative agent, and all of such Bondholder's rights and/or obligations under this Bond Purchase Agreement and the other Bond Documents shall remain unchanged, and all amounts payable by the School hereunder shall be determined as if such Bondholder had not sold such participating interest(s). In each case, the Issuer and the School shall continue to deal solely and directly with such administrative agent, on behalf of such bondholders, in connection with such bondholder's rights and obligations under the Bond Documents.

[Signature Page Follows]

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

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

By:_____
Name: Sarah Lee
Title: Chief Executive Officer

TRINITY-PAWLING SCHOOL CORPORATION

By:_____
Name: Glenn C. Carey
Title: Chief Operating Officer

PCSB BANK

By:_____
Name: Kimberly H. DeMilia
Title: Executive Vice President

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

On the ___ day of February, of the year 2024, before me, the undersigned, personally appeared **Sarah Lee** known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

Notary Public

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

On the ___ day of February, of the year 2024, before me, the undersigned, personally appeared **Glenn C. Carey** known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

Notary Public

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

On the ___ day of February, of the year 2024, before me, the undersigned, personally appeared **Kimberly H. DeMilia** known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

Notary Public

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EXHIBIT A

Form of Series 2024 Bond

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

Dutchess County Local Development Corporation
Revenue Refunding Bond
(Trinity-Pawling School Corporation Project), Series 2024

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation of the State of New York (the "**Issuer**"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and revenues as hereinafter provided, to the order of PCSB BANK (the "**Bank**" or "**Holder**"), or its registered assigns, the principal sum of up to $[10,310,000] or so much thereof as is advanced, plus interest as set forth herein.

Principal Amount Up To: $[10,310,000]

Dated Date: February [__], 2024

Maturity Date: October 1, 2032

Interest Rate: 79% of the SOFR Index plus 175 basis points

Any capitalized word or term not otherwise defined herein shall have the meaning given such word or term in the Bond Purchase Agreement (as defined herein).

Interest shall be computed on the basis of a 360-day year based on the actual number of calendar days during the month for which interest is being calculated; interest is calculated by multiplying the unpaid principal balance by the Interest Rate, dividing the product by 360 and multiplying the quotient by the actual number of days elapsed during the applicable month.

This Bond shall bear interest at the Variable Interest Rate, which is a rate equal to the sum of (i) 79% of the SOFR Index as of the day of determination, plus (ii) 175 basis points (1.75%).

Principal and interest payments on this Series 2024 Bond shall be payable by the School, on behalf of the Issuer, directly to the Bank on the first (1st) day of each month. All payments shall be applied first to the payment of interest in arrears and then to the payment of principal.

OPTIONAL PREPAYMENT

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This Bond is subject to prepayment by the Issuer at the option of the School, in whole or in part, on any Business Day, at a redemption price equal to [103% of] the principal amount to be redeemed, plus interest accruing to the date of redemption[, plus the Make-Whole-Redemption Price].

INCREASE IN INTEREST RATE IF AN
EVENT OF TAXABILITY OCCURS

If there shall occur an Event of Taxability (as hereafter defined), the rate of interest on this Bond shall be adjusted, to the extent permitted by law, to the Bank Taxable Rate (as hereinafter defined) commencing on commencing on the Tax Incidence Date.

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

"Event of Taxability" means:

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service ("**IRS**") to which the School shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2024 Bonds is includable in the gross income of the Holders thereof for federal income tax purposes;

(B) ninety (90) days after receipt by the Issuer, the Holder, the Bank or the School of written notice that the IRS has issued a "notice of deficiency" or similar notice to any present or former Holder of a Series 2024 Bonds assessing a tax in respect of any interest on the Series 2024 Bonds as a result of such interest being includable in gross income for federal income tax purposes, provided that such notice has not been withdrawn by the IRS and from which such Holder (or the Issuer, the School or the Bank on behalf of the Holder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

(C) the delivery to the School, the Bank and the Issuer of an opinion of Bond Counsel to the effect that interest on the Series 2024 Bonds is includable in the gross income of a Holder thereof for federal income tax purposes.

Nothing in this definition of "Event of Taxability" shall be construed to mean that the Issuer, the School, the Bank or any Holder of any Series 2024 Bonds shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Series 2024 Bonds is subject to taxation.

Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any holder, the calculation of which included the interest on the Series 2024 Bonds, be considered an Event of Taxability.

"Tax Incidence Date" means the first date on which, as a result of the occurrence of an Event of Taxability, interest on the Series 2024 Bonds is includable in the gross income of the recipient thereof for federal income tax purposes.

DRAFT

Payment of the principal of this Bond, including any amounts prepaid thereon, and interest thereon, shall be made at the office of PCSB Bank, 2651 Strang Blvd., Yorktown Heights, New York 10598, or at such other place as the Bank, or its registered assigns, from time to time, have designated in writing sent to the Issuer and the School by certified or registered mail, return receipt requested. The principal of and interest on this Series 2024 Bond are payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond, or so much as may be advanced hereunder, constitutes a portion of the entire authorized issue of bonds authorized by a bond resolution, duly adopted by the Issuer on February 14, 2024 (the "**Bond Resolution**"), and is issued in accordance with a Bond Purchase Agreement and Loan Agreement, dated as of February 1, 2024 (the "**Bond Purchase Agreement**"), by and among the Issuer, Trinity-Pawling School Corporation (the "**School**"), and the Bank, for the purpose of assisting in financing, refinancing and/or reimbursing, together with any other funds of the School, all or a portion of the costs of a certain project (collectively, the "**Project**") consisting of:

(A) refunding the Issuer's outstanding Revenue Bonds (Trinity-Pawling School Corporation Project - Series 2013), issued in the original aggregate principal amount of $18,830,000 (the "Series 2013 Bonds"), of which approximately $[_____] are currently outstanding, for the purposes of: (a) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 1998 (Trinity-Pawling School Corporation Civic Facility) (the "1998 Bonds"), in the original aggregate principal amount of $5,800,000, which 1998 Bonds were issued for the purposes of (i) refunding an existing mortgage indebtedness the proceeds of which were used for the renovation of certain structures which constitute portions of the Campus located at 300 Route 22 (now 700 Route 22) Pawling, New York (the "Campus"), including, but not limited to, the Cluett Building and the Starr Building; and (ii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 1998 Bonds; (b) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 2002 (Trinity-Pawling School Corporation Civic Facility) (the "2002 Bonds"), in the original aggregate principal amount of $17,200,000 for the purposes of making certain capital improvements to the Campus, including, but not limited to: (i) the construction of an approximately 19,096 square foot addition to the Dann Science and Technology Center; (ii) the renovation of approximately 10,480 square feet of and the construction of an approximately 20,275 square foot addition to the existing Arts Center; (iii) renovation of approximately 22,389 square feet of the Dann class room building; (iv) construction of two (2) faculty houses totaling approximately 4,400 square feet; (v) renovation of approximately 3,674 square feet of the Shaw Building to provide faculty housing and a conference area; (vi) upgrading and improving existing athletic and track fields on campus; and (vii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 2002 Bonds; (c) financing the acquisition, construction, renovation, installation

DRAFT

and equipping of (i) a new synthetic turf athletic field to replace the existing athletic field at the Campus; (ii) relocating an existing parking lot consisting of approximately thirty-two (32) spaces to a location adjacent to the new synthetic turf athletic field and expanding the size of the parking lot to 81 spaces; (iii) replacing 12 existing tennis courts on the Campus with 9 new tennis courts and building a 450 square foot building encompassing bathrooms and a storage area adjacent to the tennis courts; (d) the repairing, renovating, or replacing of any other facilities owned by the School at the Campus; (e) paying redemption premiums, if any, in connection with the 1998 Bonds and the 2002 Bonds; and (f) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds; and

(B) paying redemption premiums, if any, in connection with the Series 2013 Bonds; and

(C) paying of all or a portion of the costs incidental to the issuance of the Series 2024 Bonds, including issuance costs of the Series 2024 Bonds and any reserve funds as may be necessary to secure the Series 2024 Bonds (collectively, paragraphs (A), (B), and (C) shall be referred to herein as the "**Project**"); and

The Issuer and the School have entered into a certain Tax Regulatory Agreement, dated February [__], 2024 (the "**Tax Regulatory Agreement**"), pursuant to which the Issuer and the School, for the benefit of the Holders from time to time of this Bond, have made certain representations and covenants, established certain conditions and limitations and made certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and the regulations and rulings of the United States Treasury Department promulgated thereunder (collectively, the "**Code**") in order to ensure that the interest accruing on this Bond is and remains excluded from gross income for federal income tax purposes.

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

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

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This Bond is a special obligation of the Issuer and it is understood and agreed that the Holder shall look exclusively to the School, the Pledge and Security Agreement, and such other security as may from time to time be given for payment of obligations arising out of this Bond, the Pledge and Security Agreement, and the Bond Purchase Agreement, and that any judgment rendered on this Bond, the Pledge and Security Agreement, the Bond Purchase Agreement or such other security shall be limited to the property pledged by the Pledge and Security Agreement, and any such other security so given for the satisfaction thereof, and that no deficiency or personal judgment shall be sought or rendered against the Issuer, its successors or assigns, or its members, officers, agents or employees in any action or proceeding brought on this Bond, or judgment, order or decree rendered pursuant to any such action or proceeding.

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

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

This Series 2024 Bond shall be transferable only upon the books of the Issuer at the office of the Bond Registrar by the Holder in person or by his attorney duly authorized in writing, upon surrender thereof together with (i) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the Holder or such duly authorized attorney, (ii) the execution and delivery to the Bond Registrar by the Holder or his duly authorized attorney of instruments of assignment and transfer of the Pledge and Security Agreement to the transferee of the Series 2024 Bonds, (iii) if requested by the Issuer or the School, the delivery to the Issuer and the School (at the sole expense of the School) of an opinion of Bond Counsel (as defined in the Bond Purchase Agreement) that such transfer does not and will not require registration of the Series 2024 Bonds under any securities laws, (iv) the delivery to the Issuer by the Holder of a certificate signed by the proposed transferee to the effect that such proposed transferee has been provided with all requested disclosure information by the, School and has affirmed the representations and covenants of Section 2.05 of the Bond Purchase Agreement, and (v) if requested by the Issuer or the School, payment of all sums due the Holder under the Bond Documents. No such transfer of this Bond shall be valid unless made on such books and similarly noted by endorsement of the Bank on such Series 2024 Bonds, or unless, at the expense of the School, the Issuer shall execute and deliver a new Series 2024 Bonds registered in the name of the transferee, together with the receipt by the Issuer of payment of any reasonable fees and expenses of the Issuer.

No covenant or agreement contained in this Bond, the Pledge and Security Agreement, the Tax Regulatory Agreement, or the Bond Purchase Agreement shall be deemed to be the covenant or agreement of any member, officer, agent or employee of the Issuer in his individual capacity. No recourse shall be had for the payment of the principal of or the interest on this Bond or for any

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claim based hereon or on the Bond Purchase Agreement, the Pledge and Security Agreement, or the Tax Regulatory Agreement against any member, officer, agent or employee, past, present or future, of the Issuer, or of any successor corporation, as such, either directly or through the Issuer or any such successor corporation, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of such members, officers, agents, or employees being waived and released to the extent permitted by law as condition of, and as consideration for, the execution and delivery of this Bond, the Pledge and Security Agreement, the Tax Regulatory Agreement, and the Bond Purchase Agreement.

It is the intention of the Issuer and the Holder to conform strictly to the usury laws, whether state or federal, applicable to this Bond. All agreements between the Issuer and the Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid to the Holder, or collected by the Holder, for the use, forbearance or detention of the money to be loaned hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein, or in any of the Bond Documents, exceed the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or of the Bond Documents, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if under any circumstances the Holder shall ever receive an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder or to other indebtedness secured by the Bond Documents and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and such other indebtedness, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Issuer or to any other person making such payment on the Issuer's behalf. All sums paid or agreed to be paid to the Holder hereof for the use, forbearance or detention of the indebtedness of the Issuer evidenced hereby, outstanding from time to time shall, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, pro-rated, allocated and spread from the date of disbursement of the proceeds of this Bond until payment in full of the obligation evidenced hereby, and thereby so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof and thereof.

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

(Remainder of Page Intentionally Left Blank)

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IN WITNESS WHEREOF, the DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION has caused this Bond to be executed in its name by the manual signature of its Authorized Representative, its corporate seal, if any, or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

By:_____
Sarah Lee, Chief Executive Officer

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(Form of Assignment)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated:_____

_____

In the presence of:

DRAFT

Schedule A

Bond Amortization Schedule

(Attached)

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Exhibit B

Benchmark Replacement Provisions

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Bond Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to setting the then-current Benchmark, then, (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of such Benchmark setting and subsequent Benchmark and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of any Benchmark setting at or after 4:00 p.m. (Boston, Massachusetts time) on the [first (1st)] [fifth (5th)] Business Day after the date notice of such Benchmark Replacement is provided to the School, in each case without any amendment to, or further action or consent of any other party to, this Bond Purchase Agreement or any other Bond Document; provided that if such Benchmark Replacement will replace the then-current Benchmark during an Interest Period pursuant to the provisions of this clause (a), then such replacement will be postponed until the first setting of the Benchmark Replacement applicable to the immediately following Interest Period, which will result in the temporary occurrence of a Benchmark Unavailability Period.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Bondholder will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of the School or any other party to this Bond Purchase Agreement or any other Bond Document.

(c) Notices; Standards for Decisions and Determinations. The Bondholder will promptly notify the School and the Issuer of (i) any occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Bondholder pursuant to this Section titled "Benchmark Replacement Setting," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from the School or any other party to this Bond Purchase Agreement or any other Bond Document, except, in each case, as expressly required pursuant to this Section titled "Benchmark Replacement Setting."

(d) (1) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR) and

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either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Bondholder in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Bondholder may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Bondholder may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor. In the event any of the foregoing events occurs prior to a Benchmark Transition Event, the fall-back pricing will be the Alternate Base Rate until such time as a Benchmark Transition Event occurs.

(2) Temporary Unavailability of Setting of Benchmark. Notwithstanding anything to the contrary herein or in any other Bond Document, at any time (including in connection with the implementation of a Benchmark Replacement), if (i) a Benchmark Unavailability Period occurs or (ii) a relevant setting of the then-current Benchmark is temporarily unavailable due to a systemic market disruption, as determined by the Bondholder in its reasonable discretion, then the Bondholder will utilize the last available setting of the then-current Benchmark until such time as (A) the Benchmark Unavailability Period ends or (B) the source and/or publisher of the then-current Benchmark resumes timely publication of such Benchmark's settings, as applicable.

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Exhibit C

Form of Promissory Note

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS NOTE, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN

$[10,310,000] February [__], 2024

PROMISSORY NOTE

FOR VALUE RECEIVED, TRINITY-PAWLING SCHOOL CORPORATION, a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 700 Route 22, Pawling, New York 12654 (the "**School**"), by this promissory note hereby promises to pay to the order of the DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION, a local development corporation existing under the laws of the State of New York, having its principal office at 3 Neptune Road, Poughkeepsie, New York 12601 (the "**Issuer**") the principal sum of [TEN MILLION THREE HUNDRED TEN THOUSAND and No/100 Dollars ($10,310,000)], together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the Series 2024 Bonds (as such term is hereinafter defined) until paid in full, at a rate per annum equal to the respective rates of interest borne from time to time by the Bonds, together with all redemption price payments as and when due. All capitalized terms used but not defined in this Promissory Note shall have the respective meanings assigned such terms by the Bond Purchase and Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid PCSB Bank, or its successor Bondholder (the "**Bondholder**") under the Bond Purchase and Loan Agreement.

The principal amount, interest, and redemption price shall be payable on the dates and in the amounts that principal of, interest, and redemption price on the Series 2024 Bonds are payable under the Bond Purchase and Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Bond Purchase and Loan Agreement.

This Promissory Note is referred to in the Bond Purchase and Loan Agreement, dated as of February [_], 2024 (the "**Bond Purchase Loan Agreement**"), between the School, the Bondholder and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Bondholder, and such payments will be made directly to the Bondholder for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of the Issuer's $[10,310,000] in aggregate principal amount of Revenue Refunding Bonds (Trinity-Pawling School Corporation

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Project), Series 2024 (the "**Bonds**") issued by the Issuer pursuant to the Bond Purchase and Loan Agreement. All the terms, conditions and provisions of the Bond Purchase and Loan Agreement and the Series 2024 Bonds are hereby incorporated as a part of this Promissory Note.

The School may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Promissory Note, as provided in the Bond Purchase and Loan Agreement.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the School.

The School hereby promises to pay costs of collection and reasonable attorneys' fees in case of default on this Promissory Note.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

DRAFT

This Promissory Note is signed and delivered as of the date first above written.

School:

TRINITY-PAWLING SCHOOL CORPORATION

By: _____
Name:
Title:

DRAFT

ENDORSEMENT

Pay to the order of PCSB Bank, without recourse, as Bondholder under the Bond Purchase and Loan Agreement referred to in the within mentioned Bond Purchase and Loan Agreement, as security for the Series 2024 Bonds issued under such Bond Purchase and Loan Agreement. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Promissory Note.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

By:_____
Name: Sarah Lee
Title: Chief Executive Officer

DRAFT

DCLDC

Dutchess County Local

Dutchess County Local Development Corporation

Application For Financial Assistance

3 Neptune Road
Poughkeepsie, NY 12601
Ph: 845.463.5400 Fx: 845.463.0100
Email: info@thinkdutchess.com
www.dutchesscountyldc.com

For Office Use Only Project #: Application Received Date:

DCLDC Board and Staff
OFFICERS

Chairman
Timothy E. Dean

Vice Chairman
Mark Doyle

Secretary/Treasurer
Kathleen M. Bauer

Executive Director
Sarah Lee

Chief Financial Officer
Jane Denbaum

Compliance Officer/
Records Access Officer
Jane Denbaum

BOARD OF DIRECTORS

Amy Bombardieri
Kathleen M. Bauer
Timothy E. Dean
Mark Doyle
Jamie Piccone
Don Sagliano
Alfred D. Torreggiani

Counsel
Donald Cappillino
Elizabeth Cappillino

COUNTY GOVERNMENT

County Executive
William F.X. O'Neil
Dutchess County Office Building 22 Market Street, Sixth Floor
Poughkeepsie, NY 12601
Tel.# (845) 486-2000(B) Fax # (845) 486-2021
Email: countyexec@dutchessNY.gov

This e-mail address is being protected from spambots.

Dutchess County Legislature
A. Gregg Pulver, Chairman
Dutchess County Office Building 22 Market Street, Sixth Floor
Poughkeepsie, NY 12601
Tel # (914) 474-0908 (B) Fax # (845) 486-2113
Email: gpulver@dutchessny.gov

MISSION STATEMENT

The mission of the Dutchess County Local Development Corporation is to reduce underemployment and increase employment; provide assistance and financial incentives for the formation, retention, expansion, and attraction of not for profit and for profit business to improve the economic vitality of the County.

Please answer all questions. Use "None" or "Not Applicable" where necessary

A. Applicant Information (company receiving benefit)

Company Name: Trinity-Pawling School Corporation
Address: 700 Route 22, Pawling, NY 12564
Phone: 845.855.3100 Fax: 845.855.4812
Email: gcarey@trinitypawling.org
Website: www.trinitypawling.org
Federal Employer ID Number: 14.1660155

Not for Profit Corporation Trinity-Pawling School Corporation
Date of Establishment: 1907
Place of Organization 700 Route 22 Pawling, NY 12564
If a foreign organization, is the Applicant authorized to do business in the State of New York? _____

B. Individual Completing Application

Name: Glenn C. Carey
Title: Chief Operating Officer
Address 700 Route 22, Pawling, NY 12564
Phone: 845.855.4813 Fax: 845.855.4812
Email: gcarey@trinitypawling.org

C. Company Contact (if different from individual completing application)

Name: N/A
Title:
Address
Phone: Fax:
Email:

D. Company Counsel:

Name of Attorney: David E. Daniels
Firm Name: Daniels, Porco, and Lucardi LLP
Address 1 Memorial Ave. Pawling, NY 12564
Phone: 845.855.5900 Fax:
Email: DED@DPLLAWYERS.COM

E. Request for Assistance:

Please check which type of assistance you are applying for (select all that apply):

1	Bond Issuance	✓
2	Straight Lease	
	a. Mortgage Tax Exemption	

'Refunding

F. Please list all Officers and Directors for the Not for Profit Corporation:

See attachment

G. Applicant Business Description: Describe in detail organization's background and mission. Attach additional pages if needed.

Trinity-Pawling School's mission is to provide an educational experience that makes a transformational difference in the lives of its students by enabling them to discover and pursue their distinctive gifts and talents. Grades 7 → 12, plus Post Graduate - Day + Boarding

H. Is or was the Company assisted by DC LDC? Yes

I. Industry

Please check off the Project's Industry Sector:

✓ Education or Healthcare Services	___ Airport
___ Cultural Institutions	___ Charitable Organization
___ Non-profit nursing homes	___ Government
___ Non-profit assisted living facilities	___ Solid waste / sewage facility

___ Other (Please write): _____

North American Industrial Classifications Number (NAICS) _____

Section II: Project Description & Details

Project Location

Project Address: 700 Route 22
Pawling, NY 12564

Property Tax Jurisdiction:

Municipal: Village of Pawling
School District: Pawling Central School District

Utilities: Indicate which, if any, utilities are on site

✓ Water ✓ Electric

___ Gas ✓ Sanitary/Storm Water

Does the Applicant or any related entity hold fee title to the Project Site? [✓] Yes [ ] No
If no, Present legal owner of site: _____

Describe the present use of the proposed Project Site

A 7 through 12 plus Post Graduate
Independent Day and Boarding School

The facility consists of a building/space which will be (check as applicable)

___ Acquired ___ Constructed
___ Renovated ___ Expanded

Refinanced / Refunding

In the space below briefly describe the proposed project and its purpose (new build, renovations, equipment purchases). Identify specific uses occurring with the project. Describe any and all tenants and any/all end users. Attach detailed information if necessary.

This bond in 2013 was a refinance of our 1998 and 2002 DCIDA Variable Rate Demand Civic Facility Revenue Bonds and in addition, finance the cost of replacing an athletic field with a synthetic turf field, move an existing parking area to an adjacent location and remove 12 old tennis courts and construct 9 new courts.

Describe why the Agency's assistance is necessary and if the applicant is unable to obtain Corporation financial assistance, what will be the impact on the Applicant and Dutchess County and/or municipality? Would the applicant proceed with the project without Corporation assistance? (Attached additional sheets if necessary)

N/A

To the extent the project serves a local market area, is there a recognized and demonstrable need for the products or services the project will provide in the project's market area?

N/A

Is the project compatible with and will significantly assist and enhance all development plans for its area established formally or informally by local, county, state and federal authorities?

N/A

Will this project initially provide substantial employment and/or substantial capital investment and be of a nature which demonstrates a substantial long-term commitment of the beneficiary to the county, which makes it highly likely that the substantial increase in employment, capital investment will continue for a significant period of time?

N/A

Is the project of a speculative nature?

N/A

Have you contacted or been contacted by other Economic Development Agencies? If yes, please identify which agencies and what other assistance or assistance sought and the dollar amount that is anticipated to receive. __ Yes ✓ No

If yes, please list:

Zoning of Project Site:

Current Residential 1

Proposed N/A

Are any variances needed? If so, please list:

N/A

The approximate acreage of the land to be purchased or leased:

N/A

The approximate square footage of the existing building to be purchased or space to be expanded/renovated is:

N/A

The approximate square footage of the planned *new* construction is:

N/A

Please note that the Corporation cannot provide any financial assistance until the environmental review required under the State Environmental Quality Review Act ("SEQRA") has been completed. Please complete the annexed Short Form Environmental Assessment Form. Based upon the information provided in that form and elsewhere in this application, the Corporation may require further information regarding potential environmental impacts.

If this project is likely to have a significant adverse impact on the environment (a "Type I" action), then the action is probably required to be reviewed by one or more other state or local agencies, such as a local zoning or land use authority. In that event, the Corporation generally will not act as "lead agency," and any action by the Corporation must await completion of the SEQRA review by the other agency. If that is not the case, i.e., if the proposed action is a "Type II" or "unlisted" action under SEQRA, the Corporation may act independently for SEQRA purposes.

Any known environmental contamination or remediation issues? __ Yes ✓ No

If yes, please list: _____

The Corporation will not provide any financial assistance to the Project until the environmental findings required under SEQR have been made.

Facility Relocation or Closure

Will the project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another area of the State of New York:

___ Yes ✓ No

Will the project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?

___ Yes ✓ No

Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?

___ Yes ✓ No

If the answer to either of the foregoing questions in this subpart is positive, please explain in detail, on as many separate sheets as necessary, the reasons for the relocation, abandonment or closure, including, without limitation, (i) any considerations regarding the applicant's (or other occupant's) ability to remain competitive in its industry, and (ii) any consideration which has been given to relocating to any location outside the State of New York. Please note that the Corporation may ask you to provide additional information regarding the foregoing, including documentary support

_____

_____

_____

Project Construction

Please indicate the actual or expected dates of: Refunding of prior construction

Project Start Date
(*including acquisition date or construction start date*) _____

Construction completion: _____

Occupancy: _____

Will this project be incorporating new energy efficiency factors in the design and operation of the project? If yes, please elaborate. If no, please explain why it will not.

N/A

_____

_____

Will the company be occupying 100% of the completed facility? ✓ Yes ___ No

If no, will there be tenants in the remaining space? Yes No

Investment (Uses and Sources)

Detailed in 2013 application. Attached is a breakdown of how bond proceeds were expended.

Uses (Facility Costs)

Please give an accurate estimate of the costs of all of the following items.

1. **Real Estate** (Acquisition cost of land and /or existing structures) $ _____
2. **New Building Construction** $ _____
3. **New Building Addition** _____
4. **Infrastructure Work** $ _____
5. **Reconstruction/Renovation** $ _____
6. **Equipment (Taxable)** (Spending that will be subject to sales tax – i.e. machinery and equipment) $ _____
7. **Other Tax Exempt** (non-construction spending that will not be subject to sales tax) $
8. **Professional Services** (Architect, Legal Fees[1], Engineering fees) $ _____
9. **Other Taxable** $ _____
10. **Other (please specify)** $ _____

Project Cost $ _____

Uses (Financing, Legal, Miscellaneous)

	Estimated Fees
LDC Administrative Fees (See page 1)	$ 51,550
LDC Counsel	$ 15,000
Applicant Counsel	$ 15,000
Transaction Counsel	$ —
Bond Counsel	$ 45,000
Underwriter Counsel	$ 30,000
Trustee Counsel	$ —
Other Costs of Bond Issue (i.e. printing)	$
If this is a bond transaction, will you be refunding bonds? And if so state amount here	$ 10,134,408

Corporation costs such as public hearings and legal notice fees are the responsibility of the Applicant from the time an application is submitted.

SOURCES

Amount of equity	$ _____
Amount of other conventional financing	$ _____
Amount financed by bond issue	$ _____

Total Cost..... $10,290,958 Est.

Corporation Financial Information

Please attach the following information:

1. The Corporation's Audited financial statement for the last two years.
2. A copy of the Corporation's most recent Annual Report N/A
3. The Corporation's income projections

Project Benefits

Financial Assistance Provided

a. Estimated Mortgage Recording Tax Exemption

$ _____	X	.0075	=	$ _____
Projected Amount of Mortgage		Mortgage Recording Tax		Total

Community Benefits – Employment

1. Benefits = Economic Development Impacts (For Project Location Only)

a. Employment should be quantified by "FTE", which shall mean: (a) a full-time, permanent, private-sector employee on the project's payroll, who has worked (or is projected to work) at the project facility for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties;

b. or (b) two part-time, permanent, private-sector employees on the Applicant's payroll, who have worked (or are projected to work) at the project facility for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties

Job Category	Current number of FTEs	Number of FTEs to be Retained	Estimated Average Annual Payroll	Number of FTEs to be created	Estimated Average Annual Payroll
Owner/Executive	3	3	322,100	0	N/A
Professional	67.4	67.4	65,853	0	N/A
Management	9	9	109,194	0	N/A
Administrative	11.5	11.5	47,259	0	N/A
Other	16.1	16.1	38,221	0	N/A
Total	107	107		0	N/A

Are employees currently covered by a collective bargaining agreement? No
If yes, Name and Local?

Are employees provided retirement benefits? ✓Yes __ No

Are employees provided health benefits? ✓Yes __ No

Will there be construction jobs created with the project? If so, how many? N/A

Items needed for a Bond Closing

The following items shall be furnished to the LDC within thirty (30) days following a bond closing:

- ☐ Cost of Issuance
- ☐ True Interest Cost
- ☐ CUSIP Number
- ☐ Interest type or rate
- ☐ Trustee bank, address, contact person, and account number
- ☐ Schedule of indebtedness
- ☐ Any other documentation reasonable requested by the DC LDC

Please sign below to indicate that you have read and understand the above and will provide information on a timely basis.

Chief Executive Officer or Applicant

1/23/2024
Date

J. Bond Information

1. Total Funds Required ~10,310,000 Estimated Term Feb 2024 to Oct 2032

Indicate the date by which the proceeds of the Corporation's bonds, if issued will be needed

Date Required Feb. 28, 2024

Certification

Glenn C. Carey deposes and says that he/she is
(Name of Officer of Company submitting application)

the Chief Operating Officer of Trinity-Pawling School
(Title) (Company Name)

The corporation named in the attached application; that he/she has read the forgoing application and knows the contents thereof; that the same is true to his/her knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by

Trinity-Pawling School is because the said Company is a Corporation.
(Company Name)

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Dutchess County Local Development Corporation (hereinafter referred to as the "Corporation") acting on behalf of the applicant during the attendant negotiations and leading to the issue of bonds. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified time to take reasonable, proper, or request action, or withdraws, abandons, cancels, or neglects the application, or if the Corporation or applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, applicant shall pay to the Corporation, its' agents, or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees of bond counsel for the Corporation and fees of general counsel for the Corporation.* Upon successful conclusion and sale of the required bond issue, the applicant shall pay to the Corporation an administrative fee set by the Corporation.

(Chief Officer of Company submitting)

Glenn C. Carey — Print Name

COO — Title

1/23/2024 — Date

NOTARY: Sworn to me before this 23 day of January, 20 24

*Applicant is responsible for payment of any State Bond Issuance Fees.

Notary Public (Please Affix Stamp)

CATHERINE GIORDANO
Notary Public, State of New York
NO. 01GI6123038
Qualified in Dutchess County
Commission Expires 02/28/2025

New York State
Applicant Requirements
For Local Development Corporations

1. Absence of Conflicts of Interest

The Applicant has received from the Corporation a list of the members, officers and employees of the Corporation. No member, officers or employees of the Corporation has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

_____

_____

_____

_____

2. Job Listing

In accordance with Section 858-b(2) of the New York General Municipal Law, Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed within the New York State Department of Labor Community Services Division (the DOL) and with the One-Stop Center of the service delivery area created by the federal Workforce Investment Act (WIA) in which the Project is located.

3. First Consideration for Employment

In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation except as otherwise provided by collective bargaining agreements, Where applicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the One-Stop Center for new employment opportunities created as a result of the Project.

4. Annual Employment Reports

The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation, the Applicant agrees to file, or cause to be filed, with the Corporation, on an annual basis, reports regarding the number of people employed at the project site, salary levels and such other information as part of the Corporation's Employment Report.

5. **Local Workforce Policy**

   Projects requesting a mortgage tax exemption and will entail new construction over $10 million will be subject to the Corporation's Local Workforce Policy. Details of the policy can be found on the Corporation's website at LDC-Local-Workforce-Utilization-Policy.pdf

6. **Fees**

   This obligation includes an obligation to submit Corporation Fee Payment to the Corporation in accordance with the Corporation Fee policy effective as of the date of this Application.

7. **Freedom of Information Law (FOIL)**

   The Applicant acknowledges that the Corporation is subject to New York State's Freedom of Information Law (FOIL). Applicants understand that all project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

   New York State Law requires financial reporting requirements from all LDC's in New York State

8. **Bonds**

   a. **All bonds issued, outstanding or retired during the year must indicate the following:**

      Month and year issued; Interest rate at year end; outstanding beginning of year; issued during year; principal payments during year; outstanding at end of year; and final maturity date. This information will be requested from you in January of each year.

   b. **All new bonds issued need the following supplemental information:**

      Name of the project; tax exemptions separated by State and local sales tax, County and school taxes; Mortgages recording; Payments in lieu of taxes; New tax revenue if no exemption is granted; number of jobs created and other economic benefits. This information is required each year and will be requested from you in September of each year.

The Public Authority Accountability Act of 2005 and the Public Authorities Reform Act of 2009, if determined applicable, impose additional reporting requirements on the DCLDC. The applicant agrees to promptly, diligently and accurately provide all information required by the DCLDC to meet its obligations under these laws.

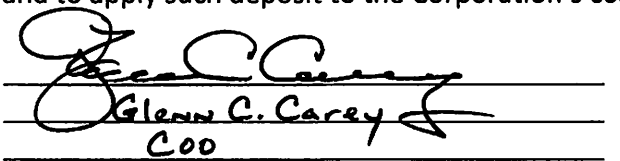
Please sign below to indicate that you have read and understand the financial and employment reporting requirements and will provide information on a timely basis.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Corporation will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Signature	
Print Name	Glenn C. Carey
Title	COO
Date	1/23/2024

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Dutchess County Local Development Corporation and its members, officers, servants, agents and employees thereof (the "Corporation") from, agrees that the Corporation shall not be liable for and agrees to indemnify, defend and hold the Corporation harmless from and against any and all liability arising from or expense incurred by (A) the Corporation's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Corporation, (B) the Corporation's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Corporation with respect to the Project; including and without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Corporation or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Corporation, its agents or assigns, all costs incurred by the Corporation in the processing of the Application, including attorneys' fees, if any. The Corporation reserves the right at any time, as a condition to further consideration of this application, to require reimbursement of any such costs incurred, or to require a deposit against such costs and to apply such deposit to the Corporation's costs as incurred.

Signature 

Print Name Glenn C. Carey

Title COO

Date 1/23/2024

Short-Form Environmental Assessment Form

All applicants are required to submit a completed Environmental Assessment Form before approval can be given

Applicants can download a copy of the Short EAF on the Dutchess County Local Development Corporation page https://thinkdutchess.com/ldc/

Please complete by answering all questions and submit evidence of any prior environmental review by other government agencies. After review by DCLDC, Applicant may be required to submit a full Environmental Assessment Form.

Short Environmental Assessment Form
Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information

Name of Action or Project:
Trinity-Pawling School - 2024 Bond Refunding

Project Location (describe, and attach a location map):
Not applicable - proposed action is the refunding of existing debt.

Brief Description of Proposed Action:
Trinity-Pawling School is seeking tax exempt financing for the refunding of series 2013 tax exempt revenue bonds previously issued by the DCLDC.

Name of Applicant or Sponsor:	Telephone: 845-855-4813
Trinity-Pawling School - Attn: Glenn Carey	E-Mail: gcarey@trinitypawling.org

Address:
700 Route 22

City/PO:	State:	Zip Code:
Pawling	NY	12564

	NO	YES
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.	☑	☐
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:	☑	☐

3.a. Total acreage of the site of the proposed action? N/A acres
b. Total acreage to be physically disturbed? N/A acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? N/A acres

4. Check all land uses that occur on, adjoining and near the proposed action.
☐ Urban ☐ Rural (non-agriculture) ☐ Industrial ☐ Commercial ☐ Residential (suburban)
☐ Forest ☐ Agriculture ☐ Aquatic ☐ Other (specify): Not Applicable
☐ Parkland

	NO	YES	N/A
5. Is the proposed action, a. A permitted use under the zoning regulations?	☐	☐	☑
b. Consistent with the adopted comprehensive plan?	☐	☐	☑

	NO	YES
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	☐	☑

	NO	YES
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: Not applicable - action is the refunding of outstanding debt.	☐	☐

	NO	YES
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	☑	☐
b. Are public transportation service(s) available at or near the site of the proposed action?	☑	☐
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	☑	☐

	NO	YES
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: Not applicable - action is the refunding of outstanding debt.	☐	☐

	NO	YES
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: Not applicable - action is the refunding of outstanding debt.	☐	☐

	NO	YES
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: Not applicable - action is the refunding of outstanding debt.	☐	☐

	NO	YES
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	☐	☐
b. Is the proposed action located in an archeological sensitive area? N/A	☐	☐

	NO	YES
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	☐	☐
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: Not applicable - action is the refunding of outstanding debt.	☐	☐

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:

☐ Shoreline ☐ Forest ☐ Agricultural/grasslands ☐ Early mid-successional
☐ Wetland ☐ Urban ☐ Suburban N/A

	NO	YES
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered? N/A	☐	☐

	NO	YES
16. Is the project site located in the 100 year flood plain? N/A	☐	☐

	NO	YES
17. Will the proposed action create storm water discharge, either from point or non-point sources? N/A If Yes, a. Will storm water discharges flow to adjacent properties? ☐ NO ☐ YES	☐	☐
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: ☐ NO ☐ YES Not applicable		

	NO	YES
18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	☑	☐
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	☑	☐
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	☑	☐

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: Trinity - Pawling School Date: 1/26/2024

Signature: _____

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.
Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	☐	☐
2. Will the proposed action result in a change in the use or intensity of use of land?	☐	☐
3. Will the proposed action impair the character or quality of the existing community?	☐	☐
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	☐	☐
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	☐	☐
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	☐	☐
7. Will the proposed action impact existing: a. public / private water supplies?	☐	☐
b. public / private wastewater treatment utilities?	☐	☐
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	☐	☐
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	☐	☐
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	☐	☐
11. Will the proposed action create a hazard to environmental resources or human health?	☐	☐

PRINT FORM

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form
Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

Name of Lead Agency	Date
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT FORM

2002 Bond Issue Projects ($17.2 million issue)

	Total Cost	Bond Monies	Gifts toward project	School Monies		Useful Life	In Service Date
Arts Center	$ 10,818,644.00	$ 10,000,000.00	$ 100,395.00	$ 718,249.00		40	Jul-04
Dann Classroom Building Addition	$ 4,785,765.00	$ 4,774,505.66	$ 11,259.26	$ 0.08		40	Jul-04
2 New Faculty Homes	$ 807,608.00	$ 435,000.00	$ -	$ 372,608.00		40	Jul-04
Shaw House Renovation	$ 824,028.00	$ 271,909.29	$ 105,775.10	$ 446,343.61		30	Oct-05
Track & Fields	$ 1,161,507.00	$ 552,188.00	$ 340,742.13	$ 268,576.87		20	Apr-05
Dann Classroom Building Renovation	$ 1,204,159.00	$ 549,577.34	$ 144,490.74	$ 510,090.92		30	May-05
TOTAL	$ 19,601,711.00	$ 16,583,180.29	$ 702,662.23	$ 2,315,868.48	$ 19,601,711.00		
Closing Costs		$ 616,819.71					
Grand Total		$ 17,200,000.00					

1998 Bond Issue Projects ($5.8 million issue)

	Total Cost	Bond Monies	Gifts toward project	School Monies		Useful Life	In Service Date
Cluett	$ 8,771,866.00	$ 4,935,126.20	$ 3,836,739.80			40	Dec-95
Starr Addition	$ 984,885.00	$ 651,000.00		$ 333,885.00		40	Sep-89
TOTAL	$ 9,756,751.00	$ 5,586,126.20	$ 3,836,739.80	$ 333,885.00	$ 9,756,751.00		
Closing Costs		$ 213,873.80					
Grand Total		$ 5,800,000.00					

2013 Bond Issue Projects ($3 million)

	Total Cost	Bond Monies	Gifts toward project	School Monies		Useful Life	In Service Date
Tennis Courts	$ 1,042,078.79	$ 642,078.79	$ 400,000.00			20	Sep-13
Turf Field & Parking	$ 2,483,484.56	$ 2,289,221.21		$ 194,263.35		20	Sep-13
TOTAL	$ 3,525,563.35	$ 2,931,300.00	$ 400,000.00	$ 194,263.35	$ 3,525,563.35		
Estimated Closing Costs		$258,700					
Grand Total		$ 3,190,000.00					

Trustees 2023 - 024
Mr. Thomas F. Ahrensfeld, Jr. '73
Mrs. Elizabeth P. Allen GP'27
Mr. Christopher M. Ambrose '80
Mrs. Dianne P. Avlon '96
Mr. Richard H. Bauer '70
Mr. James L. Bellis, Jr. '72
Mrs. Polly Shih Brandmeyer P'25
Mr. Michael V. Cerny P'17
Mr. W. David Coughlin '56
Mr. W. Wallace Danforth '82
Mr. Henry B. duPont IV '86
Mr. Douglas E. Ebert '64
Mr. Auric K. Enchill '14
Mr. Morton L. Fearey II '84
Mr. John B. Ferrarone '98
Mr. Samuel S. Hemingway '70
Mrs. Janet M. Keating P'99
Mr. Michael A. Kovner '58
Mr. Peter J. McCabe '68
Mr. J.L. Osei Mevs '94
Mrs. Maureen Ford Miller P'12, '15
Mr. Erik K. Olstein '86
Mr. Daniel V. Parker '07
Mr. G Christian Roux, Esq. '73
Mr. David M. Sample '67
Mr. Ryan J. Schell '92
Mr. Charles E. Stewart III
Mr. George T. Stewart
Mr. William W. Taylor

FINANCIAL
PROJECTIONS THROUGH 2029-30

	BUDGET 2023-24	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27	BUDGET 2027-28	BUDGET 2028-29	BUDGET 2029-30
TUITION AND FEES:							
Tuition: Upper School	16,188,500	17,399,800	18,710,877	20,162,935	20,928,454	21,721,757	22,458,617
Middle School	1,300,000	1,210,500	1,319,945	1,359,543	1,400,330	1,442,340	1,485,610
Less: Grants: Upper School	(5,017,250)	(5,017,250)	(5,167,768)	(5,322,801)	(5,482,485)	(5,646,959)	(5,816,368)
Middle School	(206,000)	(206,000)	(212,180)	(218,545)	(225,102)	(231,855)	(238,810)
Technology Fees	119,250	128,500	146,350	152,650	170,350	171,550	187,250
Tuition Remission	(385,000)	(364,000)	(385,840)	(408,990)	(433,530)	(459,542)	(487,114)
Other Financial Aid	(5,000)	(5,000)	(5,100)	(5,202)	(5,306)	(5,412)	(5,520)
Application Fees	24,500	24,500	24,990	25,490	26,000	26,520	27,050
LEAD Program	396,000	418,500	431,055	443,987	457,306	471,025	485,156
International Fee	196,000	196,000	200,900	205,923	211,071	216,347	221,756
TOTAL TUITION & FEES	12,611,000	13,785,550	15,063,230	16,394,989	17,047,088	17,705,772	18,317,626
OTHER REVENUES:							
Endowment Income	2,578,000	2,620,000	2,757,550	2,902,321	3,054,693	3,215,065	3,383,856
Snack Bar & Vending	3,000	3,000	3,150	3,308	3,473	3,647	3,829
School Store	97,500	97,500	99,450	101,439	103,468	105,537	107,648
Book Sales	3,000	3,000	3,060	3,121	3,184	3,247	3,312
Infirmary Income	7,000	7,000	7,140	7,283	7,428	7,577	7,729
Facilities Use: Summer Camps	0	0	0	0	0	0	0
Other Camps	0	0	0	0	0	0	0
Ice Rink Rental	140,000	160,000	168,000	176,400	185,220	194,481	198,371
Investment Income: Carleton	160,000	160,000	166,400	173,056	179,978	187,177	194,664
Operating	60,000	60,000	60,600	61,206	61,818	62,436	63,061
Other Income	30,000	30,000	30,600	31,212	31,836	32,473	33,122
TOTAL OTHER REVENUES	3,078,500	3,140,500	3,295,950	3,459,346	3,631,099	3,811,640	3,995,591
TOTAL REVENUES	15,689,500	16,926,050	18,359,180	19,854,335	20,678,186	21,517,412	22,313,217

		BUDGET 2023-24	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27	BUDGET 2027-28	BUDGET 2028-29	BUDGET 2029-30
TUITION - Boarders:	Number	196	204	213	223	225	227	228
	Amount	71,000	73,500	75,705	77,976	80,315	82,725	85,207
Day:	Number	45	46	48	50	50	50	50
	Amount	50,500	52,300	53,869	55,485	57,150	58,864	60,630
Middle School:	Number	14	14	16	16	16	16	16
	Amount	34,250	35,500	36,565	37,662	38,792	39,956	41,154
Middle School Boarder:	Number	9	8	8	8	8	8	8
	Amount	71,000	73,500	75,705	77,976	80,315	82,725	85,207
Middle School Boarder (5 day):	Number	3	2	2	2	2	2	2
	Amount	60,500	62,750	64,633	66,571	68,569	70,626	72,744
LEAD or EMP - 1st Year :	Number	20	20	20	20	20	20	20
	Amount	10,000	10,200	10,506	10,821	11,146	11,480	11,825
LEAD or EMP 2nd Year :	Number	16	16	15	15	15	15	15
	Amount	7,000	7,150	7,365	7,585	7,813	8,047	8,289
ESP :	Number	12	14	15	15	15	15	15
	Amount	7,000	7,150	7,365	7,585	7,813	8,047	8,289

FINANCIAL
PROJECTIONS THROUGH 2029-30

	BUDGET 2023-24	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27	BUDGET 2027-28	BUDGET 2028-29	BUDGET 2029-30
OPERATING EXPENSES:							
Instruction	3,312,605	3,408,805	3,508,748	3,611,643	3,717,578	3,826,642	3,938,929
Athletics	150,900	150,900	155,063	159,346	163,753	168,286	172,951
Student Services	2,068,580	2,144,580	2,214,148	2,286,050	2,360,365	2,437,176	2,516,567
Operations & Maintenance	2,909,025	2,943,423	3,037,303	3,134,338	3,234,641	3,338,328	3,445,522
Advancement/Campaign	1,047,550	1,043,900	1,074,662	1,106,334	1,138,944	1,172,518	1,207,087
Administration	3,599,500	3,708,200	3,816,389	3,927,753	4,042,388	4,160,389	4,281,856
Institutional	4,145,413	4,306,048	4,491,391	4,689,213	4,898,187	5,119,030	5,352,507
Restricted Expenditures	100,000	100,000	100,000	110,000	115,000	120,000	125,000
General Contingency	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	17,333,573	17,805,856	18,397,703	19,024,678	19,670,856	20,342,370	21,040,418
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	(1,644,073)	(879,806)	(38,524)	829,657	1,007,331	1,175,042	1,272,799
OTHER ADDITIONS/(DEDUCTIONS):							
Annual Fund Expendable	853,056	900,000	954,000	1,011,240	1,071,914	1,136,229	1,204,403
Restricted Gifts Expendable	220,000	200,000	200,000	212,000	225,000	238,500	252,800
Less Capital Improvements	(350,000)	(350,000)	(450,000)	(500,000)	(750,000)	(850,000)	(1,000,000)
Debt Service-Bond Interest & Principal	(1,740,900)	(1,664,927)	(1,610,000)	(1,560,000)	(1,510,000)	(1,470,000)	(1,470,000)
Debt Service-Bond Expenses	(5,800)	0	0	0	0	0	0
Transfers to/from Other Funds	2,667,717	1,794,733	944,524	7,103	(44,245)	(229,771)	(260,002)
TOTAL ADDITIONS/(DEDUCTIONS)	1,644,073	879,806	38,524	(829,657)	(1,007,331)	(1,175,042)	(1,272,799)
OPERATING SURPLUS/(DEFICIT)	0	0	0	(0)	0	0	(0)

TRINITY-PAWLING SCHOOL CORPORATION

AUDITED FINANCIAL STATEMENTS AND OTHER INFORMATION

Years Ended June 30, 2023 and 2022

TRINITY-PAWLING SCHOOL CORPORATION

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-24

UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Trinity-Pawling School Corporation

Opinion

We have audited the accompanying financial statements of Trinity-Pawling School Corporation (the "School"), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

UHY LLP

New York, New York
October 10, 2023

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF FINANCIAL POSITION

	2023	2022
ASSETS		
Cash and cash equivalents	**$ 8,141,885**	$ 8,929,460
Investments	**47,328,037**	48,768,063
Pledges receivable, net	**612,680**	154,994
Prepaid and other assets	**2,283,623**	82,799
Cash surrender value of life insurance	**1,020,355**	1,316,269
Property and equipment, net	**44,028,133**	43,799,152
Beneficial interest in perpetual trust	**3,437,000**	3,263,000
Total assets	**$ 106,851,713**	$ 106,313,737
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued salaries, fringe benefits, and other liabilities	**$ 1,859,777**	$ 1,566,279
Interest rate swap liability	**57,545**	290,174
Student deposits and deferred revenues	**3,810,267**	3,370,348
Finance lease obligation	**-**	15,818
Long-term debt	**10,680,886**	11,628,391
Total liabilities	**16,408,475**	16,871,010
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	**53,796,754**	54,523,693
With donor restrictions	**36,646,484**	34,919,034
Total net assets	**90,443,238**	89,442,727
Total liabilities and net assets	**$ 106,851,713**	$ 106,313,737

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2023	**2022**
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Net tuition and fees	**$ 8,428,295**	$ 8,554,492
Gifts and grants	**1,966,787**	1,392,091
Auxiliary enterprises	**3,436,224**	3,081,822
Investment return (loss)	**2,237,545**	(2,050,363)
Other	**1,479,399**	1,858,390
	17,548,250	12,836,432
Net assets released from restrictions:		
Satisfaction of program restrictions	**2,706,450**	2,151,821
Total support and revenue	**20,254,700**	14,988,253
EXPENSES		
Program service	**14,776,354**	12,383,701
Management and general	**5,229,813**	4,627,447
Fund raising	**973,361**	799,102
Loss on disposal of fixed assets	**4,181**	14,064
Total expenses	**20,983,709**	17,824,314
Decrease in net assets before pension and post-retirement benefit cost related changes other than net periodic cost	**(729,009)**	(2,836,061)
Pension and post-retirement benefit related changes other than net periodic benefit cost	**2,069**	178,322
Change in net assets without donor restriction	**(726,940)**	(2,657,739)
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts and grants	**2,192,302**	2,304,257
Investment return (loss)	**2,241,600**	(3,292,619)
Net assets released from restrictions:		
Satisfaction of program restrictions	**(2,706,451)**	(2,151,821)
Change in net assets with donor restrictions	**1,727,451**	(3,140,183)
Change in net assets	**1,000,511**	(5,797,922)
NET ASSETS, BEGINNING OF THE YEAR	**89,442,727**	95,240,649
NET ASSETS, ENDING OF THE YEAR	**$ 90,443,238**	$ 89,442,727

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 and 2022

	2023				2022			
	Program Service Expenses	Management and General Expenses	Fundraising Expenses	Total	Program Service Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries and employee benefits	$ 5,968,046	$ 3,614,731	$ 734,623	$ 10,317,400	$ 5,315,786	$ 3,415,221	$ 625,509	$ 9,356,516
Professional fees	1,954,933	758,967	-	2,713,900	1,687,979	433,106	-	2,121,085
Advertising and promotion	-	52,260	-	52,260	-	55,965	-	55,965
Office expense	500,154	40,472	143,000	683,626	509,642	72,134	109,042	690,818
Occupancy	1,231,147	88,366	9,536	1,329,049	1,024,350	62,278	6,920	1,093,548
Travel	37,898	140,034	27,119	205,051	39,094	96,234	2,627	137,955
Conferences	47,449	96,237	17,213	160,899	5,804	63,275	12,184	81,263
Interest	632,717	63,272	7,030	703,019	502,983	50,298	5,589	558,870
Depreciation and amortization	2,222,791	222,279	24,698	2,469,768	2,138,827	213,883	23,765	2,376,475
Insurance	387,615	38,761	4,307	430,683	365,874	36,587	4,065	406,526
Miscellaneous	1,455,519	56,821	3,731	1,516,071	400,724	39,989	8,305	449,018
Investment management	173,288	-	-	173,288	202,977	-	-	202,977
Subscriptions and publications	74,831	7,798	2,104	84,733	67,270	10,672	1,096	79,038
Bad debt	-	45,000	-	45,000	-	75,000	-	75,000
Other	89,966	4,815	-	94,781	122,391	2,805	-	125,196
Total functional expenses	$ 14,776,354	$ 5,229,813	$ 973,361	$ 20,979,528	$ 11,715,573	$ 4,749,347	$ 740,847	$ 17,205,767

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 1,000,511**	$ (5,797,922)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Uncollectible receivables provision	**84,546**	(459,692)
Depreciation and amortization	**2,469,768**	2,376,474
Amortization of bond issue costs	**51,150**	51,150
Unrealized (gain) loss on investments	**(994,518)**	9,621,009
Loss on disposal of assets	**4,181**	14,064
Donated investments	**711,953**	2,012,658
Gain from extinguishment of debt	**-**	(1,652,000)
Changes in:		
Pledges receivable	**(560,553)**	1,342,407
Prepaid and other assets	**(1,820,401)**	281,718
Cash surrender value of life insurance	**(66,186)**	(9,396)
Accrued salaries, fringe benefits, and other liabilities	**293,498**	(228,247)
Interest rate swap liability	**(232,629)**	(13,699)
Student deposits and deferred revenues	**439,919**	(152,576)
Net cash provided by operating activities	**1,381,240**	7,385,948
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(2,702,937)**	(1,546,911)
Purchase of investments	**(591,434)**	(2,379,184)
Proceeds from sale of investments	**2,140,028**	(816,514)
Net cash used in investing activities	**(1,154,343)**	(4,742,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	**(998,654)**	(958,128)
Finance lease payments	**(15,818)**	(14,772)
Net cash used in financing activities	**(1,014,472)**	(972,900)
NET (DECREASE) INCREASE IN CASH	**(787,575)**	1,670,439
CASH AND CASH EQUIVALENTS, Beginning	**8,929,460**	7,259,021
CASH AND CASH EQUIVALENTS, Ending	**$ 8,141,885**	$ 8,929,460
SUPPLEMENTAL DISCLOSURES		
Cash payments for interest	**$ 638,133**	$ 493,984

See notes to financial statements.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Trinity-Pawling School Corporation (the "School") is a not-for-profit educational organization incorporated under the laws of the State of New York. The School, located in Pawling, New York, operates an independent boarding and day college preparatory school for boys. Tuition represents the School's primary source of revenues. The School is accredited through the New York State Association of Independent Schools and is chartered by the New York State Board of Regents.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America (U.S.GAAP). Under this method of accounting, revenue is recognized when earned and when the amounts and timing of the revenue can be reasonably estimated. Expenses are recognized when they are incurred. The financial statements are presented in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities ("ASC 958"). Under the provisions of ASC 958, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The School classifies all highly liquid investments with a maturity of three months or less as cash equivalents. Cash and cash equivalents are maintained in Federal Deposit Insurance Corporation ("FDIC") insured accounts at credit qualified financial institutions.

Pledges Receivable and Allowances

Unconditional promises to give that are expected to be collected within one year are recorded at their face value which approximates net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the applicable discount rate, adjusted for donor risk where necessary, applicable to the year in which the promise was received and the duration of the commitment. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed by use of the straight-line method over the estimated useful lives of the related assets that are placed in service. The cost of property and equipment purchased in excess of $3,000 is capitalized.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position.

Other investments, consisting principally of a limited partnership interest in an investment partnership which trades securities, convertible debt, options and futures contracts for its own account, and engages in other trading activities primarily related to deal arbitrage, are also carried at estimated fair value. The limited partnership allows for additional capital contributions upon the approval of the managing partner. At any time 60 days after the end of each calendar year, the limited partner is entitled to withdraw the net profits credited to his account for that year. In addition, a cumulative priority distribution of up to 12% of partner capital is paid on a monthly basis, when earned. A partner may terminate his interest in the partnership on any December 31 by giving 185 days prior written notice. However, the managing partner may allow any withdrawal upon demand. The fair value of this investment has been determined based on audited information provided by the limited partnership.

The School pools its investments for portfolio management purposes. Each fund within the pool is assigned a number of units based upon total valuation. Investment income is allocated based upon the number of units assigned.

The Board has a total return policy whereby a fixed percentage (currently 5%) of the endowment corpus investment returns is distributed for the intended endowment purpose. Any excess return is retained in the endowment funds earnings net of spending within net assets with donor restrictions.

Derivative financial instruments, consisting of interest rate swaps, are reported on the statements of financial position at fair value. Changes in the fair value of these instruments are recognized as changes in net assets (investment return).

Revenue Recognition

The School recognizes revenue from exchange transactions, including tuition and auxiliary services revenue as it is earned based on the comprehensive revenue recognition model. Tuition and fees revenue and auxiliary service revenue is earned over the academic year as services are provided. Deferred income and other deferred amounts consist of deferred tuition and other unearned revenue items. Deferred tuition represents payments received during the year ended June 30, 2023 for the Fall 2023 through Spring 2024 school year. Amounts will be recognized as tuition revenues over the school year pro rata when earned based on performance obligations.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), tuition and fees were reported net on the statements of activities. For the years ended June 30, 2023 and 2022, the School recognized $13,613,810 and $13,911,922 in gross student tuition and fees, respectively. For the years ended June 30, 2023 and 2022, the School awarded $5,185,515 and $5,357,430 in total aid, respectively.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets are limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are also reported as increases or decreases in net assets without donor restrictions unless the use is restricted by explicit donor stipulation. When a stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Bond Issue Costs, net

Bond issue costs, net represent the unamortized balance of financial institution fees and professional fees that were incurred to obtain long-term industrial development agency financing. These costs are amortized on a straight-line basis over the life of the related bond issues and are presented in the statements of net position as a direct deduction from the debt liability. The amortization expense was $51,150 for the years ended June 30, 2023 and 2022, and has been included in interest expense in the statements of activities.

Contributions

Contributions received are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Deferred Revenue

Deferred revenue results from the School recognizing tuition revenue in the period in which the related educational instruction is performed. Accordingly, tuition fees received for the next school term are deferred until the instruction commences.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The School is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is, however, required to file an information or tax return (Federal Form 990 and a 990T when appropriate). The School has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements, according to FASB ASC 740-10, "Income Taxes." None of the School's returns are currently under examination.

Asset Impairment

The School evaluates its long-lived assets for impairment whenever events or changes in circumstances would indicate that the carrying value of assets may not be recoverable. Long-lived assets would be deemed to be impaired if the forecast of undiscounted future net cash flows is less than the carrying value of the assets. There were no impairment losses recognized in 2023 and 2022.

Beneficial Interest in a Perpetual Trust

The School records in net assets with donor restrictions its beneficial interest in a perpetual trust at the present value of the estimated future distributions from the trust's assets which approximates the fair value of the assets in the trust.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. They also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

Leases

In February 2016, the Financial Accounting Standards Board issued accounting standards update ("ASU") 2016-02 "Leases (Topic 842)". Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclosure key information about leasing arrangements. The School adopted the new standard effective July 1, 2022. The adoption of this standard did not have a material effect on the School's financial statements as the School does not have any significant long term leases as of the adoption date. The new standard provides a number of optional practical expedients at transition. The School elected certain practical expedients that must be elected as a package, which permit the School to not reassess, under the new standard, prior conclusions about (1) lease identification, (2) lease classification, and (3) initial direct costs. The School has also elected to account for lease and non-lease components as a single component for all leases and elected to utilize a risk-free rate for all leases when calculating the lease liability.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the School has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the risk-free rate. The risk-free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term. The School's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges, relating to the right-of-use asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments are recognized on a straight-line basis over the lease term.

Variable lease expenses include payments based upon changes in a rate or index, such as real estate taxes, common area maintenance, insurance, and utilities are expensed as incurred. The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Finance leases are included in property and equipment and finance lease obligation on the statements of financial position. Finance leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term. Amortization and interest expense associated with finance leases are included in depreciation expense and interest expense, respectfully, on the statements of activities.

Subsequent Events

Subsequent events have been evaluated through October 10, 2023 the date the financial statements were available for issuance.

NOTE 2 — PLEDGES RECEIVABLE

Pledges receivable represent donors' promises to pay contributions to the School and are measured at the present value of estimated future cash flows using a discount rate ranging from 3 percent to 6 percent. Collection of receivables is expected as follows:

	June 30,	
	2023	2022
Due within one year	$ 377,382	$ 454,094
Due within one to five years	898,095	216,000
	1,275,477	670,094
Less allowance for doubtful accounts	(600,612)	(497,743)
Future value	674,865	172,351
Less discount to present value	(62,185)	(17,357)
	$ 612,680	$ 154,994

NOTE 3 — INVESTMENTS AND DERIVATIVE INSTRUMENTS

Investments

Investments are comprised of the following:

	June 30,			
	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	$ 28,478,381	$ 36,803,794	$ 29,041,233	$ 34,390,662
Limited partnership	10,284,539	10,524,243	10,284,539	14,377,401
	$ 38,762,920	$ 47,328,037	$ 39,325,772	$ 48,768,063

Derivative Instruments

In November 2013, the School entered into a swap agreement with the purpose to effectively fix the interest rate on a piece of variable rate debt and reduce certain exposures to interest rate fluctuations. However, this transaction had not been designated as a hedge and gains and losses on settlements were included in investment return on the statements of activities. The School was required to pledge all unrestricted revenues to collateralize its respective obligations. The initial notional amount of this swap is $18,830,000 and the expiration date is October 1, 2032. Under the agreement, the School pays the counterparty interest at a fixed rate of 4.071% and receives a variable interest payment at a floating rate of USD-SIFMA Municipal Swap Index. The fair market value of this swap agreement was ($57,545) and ($290,174) at June 30, 2023 and 2022, respectively.

Corresponding changes in the fair value of swap agreements are recorded in investment returns in the statements of activities.

NOTE 3 — INVESTMENTS AND DERIVATIVE INSTRUMENTS (Continued)

Investment Return

Investment return is comprised of the following:

	June 30, 2023	June 30, 2022
Without donor restrictions		
Interest and dividends	$ 1,385,205	$ 1,628,116
Interest and dividends - perpetual trust	198,800	194,664
Net unrealized gain (loss)	420,682	(3,878,080)
Net realized gain (loss)	229	(8,762)
Net unrealized gain on interest rate swap	232,629	13,699
	$ 2,237,545	$ (2,050,363)
With donor restrictions		
Interest and dividends	$ 1,746,362	$ 2,216,899
Net unrealized gain (loss)	321,238	(4,973,689)
Net unrealized gain (loss) - perpetual trust	174,000	(535,829)
	$ 2,241,600	$ (3,292,619)

NOTE 4 — FAIR VALUE MEASUREMENTS

The School follows guidance for *Fair Value Measurements*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Cash equivalents: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income and fixed income type investments: Fixed income investments are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income type investments, which are held in limited partnerships, are valued at the net asset value (NAV) of shares held by the School at year end.

Equity and equity type investments: Common stocks, corporate bonds and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded. Certain equity type investments, which are held in limited partnerships, are valued at the net asset value (NAV) of shares held by the School at year end. Other equity type investments are valued at the net book value as an approximation of fair value.

Limited Partnerships – Certain limited partnership investments are recorded at fair value. The School uses the net assets value ("NAV") to determine the fair value of certain investments included in Level 2 which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. The School has adopted the authoritative guidance under generally accepted accounting principles for estimating the fair value of investments in investment companies that have calculated net asset value per share in accordance with specialized accounting guidance for investment companies. Accordingly, in circumstances in which net asset value per share of an investment is determinative of fair value, the School estimates the fair value of an investment in an investment company using the net asset value per share of the investment (or its equivalent) without further adjustment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

The following presents the School assets and liabilities by fair value hierarchy and investment type:

	Assets at Fair Value at June 30, 2023			
Investments	Level 1	Level 2	Level 3	Total
Mutual funds	$ 36,803,794	$ -	$ -	$ 36,803,794
Limited partnerships	-	10,524,243	-	10,524,243
	$ 36,803,794	$ 10,524,243	$ -	$ 47,328,037

	Assets at Fair Value at June 30, 2023			
Beneficial Interest in Perpetual Trust	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 32,916	$ -	$ -	$ 32,916
U.S. government securities	90,979			90,979
Corporate bonds	1,331,428	-	-	1,331,428
Common stock	1,341,553	-	-	1,341,553
Mutual funds	640,124	-	-	640,124
	$ 3,437,000	$ -	$ -	$ 3,437,000

	Liabilities at Fair Value at June 30, 2023			
Derivatives	Level 1	Level 2	Level 3	Total
Derivatives	$ -	$ 57,545	$ -	$ 57,545
	$ -	$ 57,545	$ -	$ 57,545

	Assets at Fair Value at June 30, 2022			
Investments	Level 1	Level 2	Level 3	Total
Mutual funds	$ 34,390,662	$ -	$ -	$ 34,390,662
Limited partnerships	-	14,377,401	-	14,377,401
	$ 34,390,662	$ 14,377,401	$ -	$ 48,768,063

	Assets at Fair Value at June 30, 2022			
Beneficial Interest in Perpetual Trust	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 33,867	$ -	$ -	$ 33,867
U.S. government securities	53,015			53,015
Corporate bonds	1,256,750	-	-	1,256,750
Common stock	1,388,826	-	-	1,388,826
Mutual funds	530,542	-	-	530,542
	$ 3,263,000	$ -	$ -	$ 3,263,000

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

	Liabilities at Fair Value at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Derivatives				
Derivatives	$ -	$ 290,174	$ -	$ 290,174
	$ -	$ 290,174	$ -	$ 290,174

The nature and risk of certain investments by major category at June 30, 2023 are presented as follows:

	Fair Value	Unfunded Commitments	Redemption Provisions	Expected Liquidation Term
Derivatives	$ 57,545	$ -	60 days after year end with 30 days after calender year end written notice	Not applicable

NOTE 5 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2023	2022
Building and building improvements	$ 78,392,316	$ 77,556,243
Land and land improvements	9,279,182	7,192,433
Equipment	6,263,713	5,982,193
Construction in progress	1,124,960	1,813,129
Computer equipment	1,429,104	1,536,056
Library books	104,308	104,308
	96,593,583	94,184,362
Accumulated depreciation	52,565,450	50,385,210
	$ 44,028,133	43,799,152

Depreciation expense amounted to $2,469,768 and $2,376,475 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 — LONG-TERM DEBT

On December 1, 2013 the School entered into a Direct Placement Agreement for an $18,830,000 Series 2013 Bond. The Series 2013 Bond was issued for the purpose of financing the repairing, renovating, or replacing of facilities, fields, and parking lots on the School's Campus. Interest is payable monthly at variable rates determined by the Bank. Principal payments are due annually in varying amounts through the expiration date of October 2032.

Series 2013 Bond contains certain restrictive covenants including maintenance of certain financial ratios as defined in the Direct Placement Agreement and is collateralized by substantially all of the School's unrestricted revenues. As of June 30, 2023, the School remained in compliance with all of its financial covenants.

Long-term debt is summarized as follows at:

	June 30,	
	2023	2022
Long-term debt	$ 10,823,536	$ 11,822,191
Less unamortized debt issuance costs	142,650	193,800
	$ 10,680,886	$ 11,628,391

The future scheduled maturities of long-term debt are as follows:

Year Ending June 30,	
2024	1,040,894
2025	1,084,927
2026	1,130,815
2027	1,178,652
2028	1,228,505
Thereafter	5,159,743
	$ 10,823,536

Interest expense amounted to $703,019 and $558,870 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 — PENSION PLANS

Defined Contribution Plan

The School has a noncontributory defined contribution plan covering substantially all employees. Contributions to the plan are calculated as a percentage of the employee's regular salary for the plan year. Contributions for the years ended June 30, 2023 and 2022 were $650,989 and $596,399, respectively.

NOTE 7 — PENSION PLANS (Continued)

Defined Benefit Plan

The School sponsors an unfunded supplemental defined benefit plan covering only faculty and administrative employees who completed fifteen years of service. Benefits were based upon years of service and compensation, less any benefits paid on other plans or Social Security. The Plan was frozen on July 1, 1995 and no additional benefits accrue.

An assumed weighted average discount rate of 4.90% and 2.58% was used in accounting for benefit obligations as of June 30, 2023 and 2022, respectively.

	2023	2022
Pension benefit obligation at year end	$ 1,097,230	$ 1,166,877
Fair Value of Plan assets at year end	-	-
Unfunded status at year end, recorded as accrued salary, fringe benefits and other liabilities	$ 1,097,230	$ 1,166,877
Amounts recognized in unrestricted net assets:		
Unamortized net loss	$ 88,908	$ 90,977
Components of net periodic pension costs:		
Interest cost	$ 48,358	$ 34,968
Amortization of net loss from prior periods	-	8,028
Net periodic pension costs	$ 48,358	$ 42,996
Change in unamortized items:		
Actuarial gain (loss)	$ 5,959	$ (179,077)
Amortization of actuarial (loss) gain	(8,028)	755
Total change in recognized unrestricted net assets	$ (2,069)	$ (178,322)

Estimate of amortization of actuarial loss in 2023 is $8,028.

The School's funding policy is based upon and is in compliance with ERISA requirements. The School contributed $149,572 to the Plan for the years ended June 30, 2023 and 2022.

Estimated future benefit payments reflect expected future service for each fiscal year. The following benefits are expected to be paid:

Year Ending June 30,	
2024	$ 154,601
2025	154,601
2026	154,601

NOTE 8 — BENEFICIAL INTEREST IN PERPETUAL TRUST

The School is a beneficiary of a trust that consists of a portfolio of investments, principally common stocks, corporate bonds and mutual funds, maintained by perpetual trustees. Income received is to be expended for the general purposes of the School. Income recorded which is reported as investment return in net assets without donor restrictions, approximated $199,000 and $195,000 during the year ended June 30, 2023 and 2022. Unrealized gains (losses) related to the School's beneficial interest are reported as changes in net assets with donor restrictions.

NOTE 9 — CONCENTRATIONS OF CREDIT RISK

A substantial portion of the School's investment portfolio is represented by a limited partnership interest. Partnership distributions and the ability to liquidate this investment are limited by the partnership agreement (Notes 1 and 4). As of June 30, 2023, this investment in the limited partnership accounts for approximately 22% of the total fair value of all investments (29% in 2022).

Cash is maintained in FDIC insured accounts at credit qualified financial institutions. At times, such amounts may exceed the FDIC insurance limits. At June 30, 2023 uninsured cash and cash equivalent balances totaled approximately $9,595,000.

For the year ended June 30, 2023, 24% of the School’s contributions were attributed to one donor. For the year ended June 30, 2022, 22% of the School’s contributions were attributed to one donor. The contributions from these donors amounted to $1,000,000 and $750,000 in 2023 and 2022, respectively.

NOTE 10 — RISKS AND UNCERTAINTIES

The School invests in investment securities and an investment partnership which are exposed to various risks, such as interest rate risk, financial market risk and credit risk. Due to the level of risk associated with these investments, coupled with recent economic events, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 11 — ENDOWMENT

Financial Accounting Standards Board Accounting Standards Codification provides guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to Enacted Version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and Enhanced Disclosures for All Endowment Funds.

The School has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 11 — ENDOWMENT (Continued)

The portion of the donor-restricted endowment fund appropriated for expenditure by the School's Board of Trustees is done in a manner consistent with the standard of prudence prescribed by the UPMIFA. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the School to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with restrictions. Deficiencies would result from unfavorable market fluctuations that occur after the investment of donor restricted contributions and continued appropriation as deemed prudent by the School.

Investment Policy. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide a total rate of return with acceptable risk to preserve and enhance the purchasing power of the Fund's assets and all future contributions, with the long-term objective of achieving, over time, equity-like returns over full market cycles.

Spending Policy. The School has an endowment investment spending policy that places highest emphasis on meeting its operating budget obligations. The amount of endowment fund investment return (yield and appreciation) used annually to support operations is set to equal to a maximum 5% of the three-year rolling average of the portfolio value as of June 30th. Any excess return is retained in net assets with donor restrictions.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	June 30, 2023			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Donor funds	$ -	$ 7,740,860	$ 20,414,985	$ 28,155,845
Board-designated funds	24,376,667	-	-	24,376,667
Total funds	$ 24,376,667	$ 7,740,860	$ 20,414,985	$ 52,532,512

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	June 30, 2022			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Donor funds	$ -	$ 7,213,236	$ 19,881,596	$ 27,094,832
Board-designated funds	23,754,301	-	-	23,754,301
Total funds	$ 23,754,301	$ 7,213,236	$ 19,881,596	$ 50,849,133

NOTE 11 — ENDOWMENT (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2023 are as follows:

	June 30, 2023			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 23,754,301	$ 7,213,236	$ 19,881,596	$ 50,849,133
Contributions	198,701	-	513,250	711,951
Investment income	3,621,501	1,514,615	-	5,136,116
Net appreciation	423,665	527,624	20,139	971,428
Amounts appropriated for expenditure	(3,621,501)	(1,514,615)	-	(5,136,116)
Endowment net assets, end of year	$ 24,376,667	$ 7,740,860	$ 20,414,985	$ 52,532,512

Changes in endowment net assets for the fiscal year ended June 30, 2022 are as follows:

	June 30, 2022			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 27,125,972	$ 11,532,925	$ 18,513,904	$ 57,172,801
Contributions	481,713	-	1,532,282	2,013,995
Investment income	1,585,595	1,841,905		3,427,500
Net appreciation	(3,853,384)	(4,319,689)	(164,590)	(8,337,663)
Amounts appropriated for expenditure	(1,585,595)	(1,841,905)	-	- (3,427,500)
Endowment net assets, end of year	$ 23,754,301	$ 7,213,236	$ 19,881,596	$ 50,849,133

NOTE 12 — NET ASSETS WITHOUT DONOR RESTRICTIONS

The School maintains its accounts in accordance with the principles and practices of fund accounting. Certain net assets without donor restrictions are designated by the School's Board of Trustees for the following purposes at June 30, 2023 and 2022:

	June 30, 2023	June 30, 2022
Unrestricted fund		
Designated for debt service	$ 53,495	$ 298,797
Designated for Board endowment	24,376,667	23,754,301
Undesignated	11,428,762	13,690,265
Centennial campaign fund	1,402,192	1,402,192
Decade campaign fund	16,535,638	15,378,138
	$ 53,796,754	$ 54,523,693

NOTE 13 — NET ASSETS WITH DONOR RESTRICTIONS

The School maintains its accounts in accordance with the principles and practices of fund accounting. Net assets with donor restrictions are subject to donor-imposed stipulations to support scholarships, faculty development, and school-related activities. Net assets with donor restrictions are subject to donor-imposed stipulations that require the principal to be invested in perpetuity. Investment returns are expendable to support scholarships, faculty development, and school-related activities. Net assets with donor restrictions as of June 30, 2023 and 2022 consisted of the following:

	June 30, 2023	June 30, 2022
Endowment corpus	$ 20,414,985	$ 19,881,596
Endowment earnings net of spending	7,740,860	7,213,236
Endowment fund	2,686,781	2,111,406
Perpetual trust	3,437,000	3,263,000
Restricted fund	2,218,265	2,301,203
Campaigns fund	148,593	148,593
	$ 36,646,484	$ 34,919,034

NOTE 14 — LIQUIDITY

The following reflects the School's operating financial assets as of June 30, 2023, reduced by the amounts not available for general use within one year due to contractual or donor-imposed restrictions. Amounts not available include amounts designated by the board. These board designated funds could be drawn upon if the governing board so approved.

Cash	$	4,897,386
Investments		22,132,159
Current pledge receivable, net		93,411
		27,122,956
Board designated funds		24,430,162
Financial assets available for general expenditures	$	2,692,794

In addition to these financial assets available for general expenditures, a significant portion of the School's annual expenditures will be funded by tuition and auxiliary program revenues. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 15 — COMMITMENTS AND CONTINGENCIES

Operating Leases

The School has operating leases on various vehicles. The remaining term of these leases does not exceed one year. The following is a schedule of future minimum rental payments required under operating leases that have remaining non-cancelable terms in excess of one year at June 30, 2023:

Year Ending June 30,		
2024	$	10,978
2025		-
	$	10,978

Rent expense for all operating leases for the years ended June 30, 2023 and 2022 amounted to $48,520.

NOTE 15 — COMMITMENTS AND CONTINGENCIES (Continued)

Capital Lease

The School is the lessee of equipment with an aggregate cost basis of $0 and $74,216 for the years ended June 30, 2023 and 2022, respectively, under capital leases expired August 2022.

Uncertainties

The School has become a party to claims incurred in the course of operating a boarding school. The School has two cases relating to certain conduct related matters that are currently in mediation and no settlement has been reached. The reasonable estimate of the liability related to these cases is the proposed settlement amounts totaling $1,225,000, of which the two claims have available insurance coverage of $1,000,000 and $225,000, respectively. Additionally, one case relating to a conduct related matter has been settled for the sum of $200,000 and is accrued as of June 30, 2023 in accrued salaries, fringe benefits, and other liabilities on the accompanying statement of financial position.

TRINITY-PAWLING SCHOOL CORPORATION

AUDITED FINANCIAL STATEMENTS AND OTHER INFORMATION

Years Ended June 30, 2022 and 2021

TRINITY-PAWLING SCHOOL CORPORATION

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-24

UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Trinity-Pawling School Corporation

Opinion

We have audited the accompanying financial statements of Trinity-Pawling School Corporation (the "School"), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

UHY LLP

New York, New York
October 20, 2022

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF FINANCIAL POSITION

	2022	2021
ASSETS		
Cash and cash equivalents	**$ 8,929,460**	$ 7,259,021
Investments	**48,768,063**	56,552,033
Pledges receivable, net	**154,994**	980,488
Prepaid and other assets	**82,799**	421,737
Cash surrender value of life insurance	**1,316,269**	1,306,873
Property and equipment, net	**43,799,152**	44,642,779
Beneficial interest in perpetual trust	**3,263,000**	3,917,000
Total assets	**$ 106,313,737**	$ 115,079,931
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued salaries, fringe benefits, and other liabilities	**$ 1,566,279**	$ 1,794,526
Interest rate swap liability	**290,174**	303,873
Student deposits and deferred revenues	**3,370,348**	3,522,924
Capital lease obligation	**15,818**	30,591
Long-term debt	**11,628,391**	12,535,368
Long-term debt - paycheck protection program	**-**	1,652,000
Total liabilities	**16,871,010**	19,839,282
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	**54,523,693**	57,181,432
With donor restrictions	**34,919,034**	38,059,217
Total net assets	**89,442,727**	95,240,649
Total liabilities and net assets	**$ 106,313,737**	$ 115,079,931

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2022	**2021**
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Net tuition and fees	**$ 8,554,492**	$ 6,829,417
Gifts and grants	**1,392,091**	1,121,853
Auxiliary enterprises	**3,081,822**	2,454,171
Investment (loss) return	**(2,050,363)**	7,926,566
Other	**1,858,390**	444,790
	12,836,432	18,776,797
Net assets released from restrictions:		
Satisfaction of program restrictions	**2,151,821**	2,217,803
Total support and revenue	**14,988,253**	20,994,600
EXPENSES		
Program service	**12,383,701**	11,715,573
Management and general	**4,627,447**	4,749,347
Fund raising	**799,102**	740,847
Loss on disposal of fixed assets	**14,064**	4,108
Total expenses	**17,824,314**	17,209,875
(Decrease) increase in net assets before pension and post-retirement benefit cost related changes other than net periodic cost	**(2,836,061)**	3,784,725
Pension and post-retirement benefit related changes other than net periodic benefit cost	**178,322**	(5,012)
Change in net assets without donor restriction	**(2,657,739)**	3,779,713
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts and grants	**2,304,257**	470,377
Investment (loss) return	**(3,292,619)**	8,049,155
Net assets released from restrictions:		
Satisfaction of program restrictions	**(2,151,821)**	(2,217,803)
Change in net assets with donor restrictions	**(3,140,183)**	6,301,729
Change in net assets	**(5,797,922)**	10,081,442
NET ASSETS, BEGINNING	**95,240,649**	85,159,207
NET ASSETS, ENDING	**$ 89,442,727**	$ 95,240,649

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2022 and 2021

	2022				2021			
	Program Service Expenses	Management and General Expenses	Fundraising Expenses	Total	Program Service Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries and employee benefits	$ 5,315,786	$ 3,415,221	$ 625,509	$ 9,356,516	$ 5,225,090	$ 3,147,127	$ 584,066	$ 8,956,283
Professional fees	1,687,979	433,106	-	2,121,085	1,386,593	1,130,258	-	2,516,851
Advertising and promotion	-	55,965	-	55,965	-	40,469	-	40,469
Office expense	509,642	72,134	109,042	690,818	438,199	50,445	93,942	582,586
Occupancy	1,024,350	62,278	6,920	1,093,548	966,813	54,110	5,792	1,026,715
Travel	39,094	96,234	2,627	137,955	11,122	20,581	-	31,703
Conferences	5,804	63,275	12,184	81,263	5,316	28,154	1,976	35,446
Interest	502,983	50,298	5,589	558,870	489,179	48,618	5,402	543,199
Depreciation and amortization	2,138,827	213,883	23,765	2,376,475	2,153,537	215,354	23,928	2,392,819
Insurance	365,874	36,587	4,065	406,526	321,987	32,199	3,578	357,764
Miscellaneous	400,724	39,989	8,305	449,018	433,408	32,776	22,163	488,347
Investment management	202,977	-	-	202,977	175,018	-	-	175,018
Subscriptions and publications	67,270	10,672	1,096	79,038	62,127	10,159	-	72,286
Bad debt	-	75,000	-	75,000	-	(63,531)	-	(63,531)
Other	122,391	2,805	-	125,196	47,184	2,628	-	49,812
Total functional expenses	$ 12,383,701	$ 4,627,447	$ 799,102	$ 17,810,250	$ 11,715,573	$ 4,749,347	$ 740,847	$ 17,205,767

See notes to financial statements.

TRINITY-PAWLING SCHOOL CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ (5,797,922)**	$ 10,081,442
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Uncollectible receivables provision	**(459,692)**	(434,673)
Depreciation and amortization	**2,376,474**	2,392,819
Amortization of bond issue costs	**51,150**	(76,680)
Unrealized loss (gain) on investments	**9,621,009**	(10,977,335)
Loss on disposal of assets	**14,064**	4,108
Donated investments	**2,012,658**	77,861
(Gain) from extinguishment of debt	**(1,652,000)**	-
Changes in:		
Pledges receivable	**1,342,407**	990,837
Prepaid and other assets	**281,718**	442,742
Cash surrender value of life insurance	**(9,396)**	(4,857)
Accrued salaries, fringe benefits, and other liabilities	**(228,247)**	(115,392)
Interest rate swap liability	**(13,699)**	(965,612)
Student deposits and deferred revenues	**(152,576)**	(45,890)
Net cash provided by operating activities	**7,385,948**	1,369,370
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(1,546,911)**	(602,626)
Purchase of investments	**(2,379,184)**	(621,652)
Proceeds from sale of investments	**(816,514)**	761,451
Net cash used in investing activities	**(4,742,609)**	(462,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	**(958,128)**	(919,246)
Capital lease payments	**(14,772)**	(13,797)
Net cash used in financing activities	**(972,900)**	(933,043)
NET INCREASE (DECREASE) IN CASH	**1,670,439**	(26,500)
CASH AND CASH EQUIVALENTS , Beginning	**7,259,021**	7,285,521
CASH AND CASH EQUIVALENTS , Ending	**$ 8,929,460**	$ 7,259,021
SUPPLEMENTAL DISCLOSURES		
Cash payments for interest	**$ 493,984**	$ 526,463

See notes to financial statements.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Trinity-Pawling School Corporation (the "School") is a not-for-profit educational organization incorporated under the laws of the State of New York. The School, located in Pawling, New York, operates an independent boarding and day college preparatory school for boys. Tuition represents the School's primary source of revenues. The School is accredited through the New York State Association of Independent Schools and is chartered by the New York State Board of Regents.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions– Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions– Net assets subject to donor-imposed stipulations that may or will be satisfied either by actions of the School and/or passage of time or require the principal to be invested in perpetuity. Generally, the donors of these assets permit the School to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents

The School classifies all highly liquid investments with a maturity of three months or less as cash equivalents. Cash and cash equivalents are maintained in Federal Deposit Insurance Corporation ("FDIC") insured accounts at credit qualified financial institutions.

Pledges Receivable and Allowances

Unconditional pledges receivable are recognized as received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Pledged contributions (unconditional) are recognized as revenue in the year the promise is made and are recorded at fair value, which is computed as the estimated present values of expected future cash flows. A provision for estimated uncollectible pledges is maintained at a level management believes is sufficient to cover potential losses.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed by use of the straight-line method over the estimated useful lives of the related assets that are placed in service. The cost of property and equipment purchased in excess of $3,000 is capitalized.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position.

Other investments, consisting principally of a limited partnership interest in an investment partnership which trades securities, convertible debt, options and futures contracts for its own account, and engages in other trading activities primarily related to deal arbitrage, are also carried at estimated fair value. The limited partnership allows for additional capital contributions upon the approval of the managing partner. At any time 60 days after the end of each calendar year, the limited partner is entitled to withdraw the net profits credited to his account for that year. In addition, a cumulative priority distribution of up to 12% of partner capital is paid on a monthly basis, when earned. A partner may terminate his interest in the partnership on any December 31 by giving 185 days prior written notice. However, the managing partner may allow any withdrawal upon demand. The fair value of this investment has been determined based on audited information provided by the limited partnership.

The School pools its investments for portfolio management purposes. Each fund within the pool is assigned a number of units based upon total valuation. Investment income is allocated based upon the number of units assigned.

The Board has a total return policy whereby a fixed percentage (currently 5%) of the endowment corpus investment returns is distributed for the intended endowment purpose. Any excess return is retained in the endowment funds earnings net of spending within net assets with donor restrictions.

Derivative financial instruments, consisting of interest rate swaps, are reported on the statements of financial position at fair value. Changes in the fair value of these instruments are recognized as changes in net assets (investment return).

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The School recognizes revenue from exchange transactions, including tuition and auxiliary services revenue as it is earned based on the comprehensive revenue recognition model.

In accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), tuition and fees were reported net on the statements of activities. For the years ended June 30, 2022 and 2021, the School recognized $13,911,922 and $12,544,547 in gross student tuition and fees, respectively. For the years ended June 30, 2022 and 2021, the School awarded $5,357,430 and $5,715,130 in total aid, respectively.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets are limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are also reported as increases or decreases in net assets without donor restrictions unless the use is restricted by explicit donor stipulation. When a stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Bond Issue Costs, net

Bond issue costs, net represent the unamortized balance of financial institution fees and professional fees that were incurred to obtain long-term industrial development agency financing. These costs are amortized on a straight-line basis over the life of the related bond issues and are presented in the statements of net position as a direct deduction from the debt liability. The amortization expense was $51,150 and $29,325 for the years ended June 30, 2022 and 2021, respectively, and has been included in interest expense in the statements of activities.

Contributions

Contributions received are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Deferred Revenue

Deferred revenue results from the School recognizing tuition revenue in the period in which the related educational instruction is performed. Accordingly, tuition fees received for the next school term are deferred until the instruction commences.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The School is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is, however, required to file an information or tax return (Federal Form 990 and a 990T when appropriate). The School believes that there are no uncertain tax positions that are material to the financial statements. The School had no unrelated business income tax for 2022 and 2021.

Asset Impairment

The School evaluates its long-lived assets for impairment whenever events or changes in circumstances would indicate that the carrying value of assets may not be recoverable. Long-lived assets would be deemed to be impaired if the forecast of undiscounted future net cash flows is less than the carrying value of the assets. There were no impairment losses recognized in 2022 and 2021.

Beneficial Interest in a Perpetual Trust

The School records in net assets with donor restrictions its beneficial interest in a perpetual trust at the present value of the estimated future distributions from the trust's assets which approximates the fair value of the assets in the trust.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. They also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

Subsequent Events

Subsequent events have been evaluated through October 20, 2022 the date the financial statements were available for issuance.

NOTE 2 — PLEDGES RECEIVABLE

Pledges receivable represent donors' promises to pay contributions to the School and are measured at the present value of estimated future cash flows using a discount rate ranging from 3 percent to 6 percent. Collection of receivables is expected as follows:

	June 30,	
	2022	2021
Due within one year	$ 454,094	$ 750,195
Due within one to five years	216,000	1,350,726
	670,094	2,100,921
Less allowance for doubtful accounts	(497,743)	(1,014,658)
Future value	172,351	1,086,263
Less discount to present value	(17,357)	(105,775)
	$ 154,994	$ 980,488

NOTE 3 — INVESTMENTS AND DERIVATIVE INSTRUMENTS

Investments

Investments are comprised of the following:

	June 30,			
	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	$ 29,041,233	$ 34,390,662	$ 27,270,691	$ 42,645,473
Limited partnership	10,284,539	14,377,401	10,549,453	13,906,560
	$ 39,325,772	$ 48,768,063	$ 37,820,144	$ 56,552,033

Derivative Instruments

In November 2013, the School entered into a swap agreement with the purpose to effectively fix the interest rate on a piece of variable rate debt and reduce certain exposures to interest rate fluctuations. However, this transaction had not been designated as a hedge and gains and losses on settlements were included in investment return on the statements of activities. The School was required to pledge all unrestricted revenues to collateralize its respective obligations. The initial notional amount of this swap is $18,830,000 and the expiration date is October 1, 2032. Under the agreement, the School pays the counterparty interest at a fixed rate of 4.071% and receives a variable interest payment at a floating rate of USD-SIFMA Municipal Swap Index. The fair market value of this swap agreement was ($290,174) and ($303,873) at June 30, 2022 and 2021, respectively.

Corresponding changes in the fair value of swap agreements are recorded in investment returns in the statements of activities.

NOTE 3 — INVESTMENTS AND DERIVATIVE INSTRUMENTS (Continued)

Investment Return

Investment return is comprised of the following:

	June 30, 2022	June 30, 2021
Without donor restrictions		
Interest and dividends	$ 1,628,116	$ 1,840,307
Interest and dividends - perpetual trust	194,664	190,571
Net unrealized (loss) gain	(3,878,080)	4,934,529
Net realized loss	(8,762)	(4,453)
Net unrealized gain on interest rate swap	13,699	965,612
	$ (2,050,363)	$ 7,926,566
With donor restrictions		
Interest and dividends	$ 2,216,899	$ 2,242,119
Net unrealized (loss) gain	(4,973,689)	5,265,036
Net unrealized (loss) gain - perpetual trust	(535,829)	542,000
	$ (3,292,619)	$ 8,049,155

NOTE 4 — FAIR VALUE MEASUREMENTS

The School follows guidance for *Fair Value Measurements*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Cash equivalents: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income and fixed income type investments: Fixed income investments are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income type investments, which are held in limited partnerships, are valued at the net asset value (NAV) of shares held by the School at year end.

Equity and equity type investments: Common stocks, corporate bonds and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded. Certain equity type investments, which are held in limited partnerships, are valued at the net asset value (NAV) of shares held by the School at year end. Other equity type investments are valued at the net book value as an approximation of fair value.

Limited Partnerships – Certain limited partnership investments are recorded at fair value. The School uses the net assets value ("NAV") to determine the fair value of certain investments included in Level 2 which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. The School has adopted the authoritative guidance under generally accepted accounting principles for estimating the fair value of investments in investment companies that have calculated net asset value per share in accordance with specialized accounting guidance for investment companies. Accordingly, in circumstances in which net asset value per share of an investment is determinative of fair value, the School estimates the fair value of an investment in an investment company using the net asset value per share of the investment (or its equivalent) without further adjustment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

The following presents the School assets and liabilities by fair value hierarchy and investment type:

	Assets at Fair Value at June 30, 2022			
Investments	Level 1	Level 2	Level 3	Total
Mutual funds	$ 34,390,662	$ -	$ -	$ 34,390,662
Limited partnerships	-	14,377,401	-	14,377,401
	$ 34,390,662	$ 14,377,401	$ -	$ 48,768,063

	Assets at Fair Value at June 30, 2022			
Beneficial Interest in Perpetual Trust	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 33,867	$ -	$ -	$ 33,867
U.S. government securities	53,015			53,015
Corporate bonds	1,256,750	-	-	1,256,750
Common stock	1,388,826	-	-	1,388,826
Mutual funds	530,542	-	-	530,542
	$ 3,263,000	$ -	$ -	$ 3,263,000

	Liabilities at Fair Value at June 30, 2022			
Derivatives	Level 1	Level 2	Level 3	Total
Derivatives	$ -	$ 290,174	$ -	$ 290,174
	$ -	$ 290,174	$ -	$ 290,174

	Assets at Fair Value at June 30, 2021			
Investments	Level 1	Level 2	Level 3	Total
Mutual funds	$ 42,645,473	$ -	$ -	$ 42,645,473
Limited partnerships	-	13,906,560	-	13,906,560
	$ 42,645,473	$ 13,906,560	$ -	$ 56,552,033

	Assets at Fair Value at June 30, 2021			
Beneficial Interest in Perpetual Trust	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 45,343	$ -	$ -	$ 45,343
U.S. government securities	92,847			92,847
Corporate bonds	1,405,482	-	-	1,405,482
Common stock	1,658,556	-	-	1,658,556
Mutual funds	714,772	-	-	714,772
	$ 3,917,000	$ -	$ -	$ 3,917,000

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

	Liabilities at Fair Value at June 30, 2021			
Derivatives	Level 1	Level 2	Level 3	Total
Derivatives	$ -	$ 303,873	$ -	$ 303,873
	$ -	$ 303,873	$ -	$ 303,873

The nature and risk of certain investments by major category at June 30, 2022 are presented as follows:

	Fair Value	Unfunded Commitments	Redemption Provisions	Expected Liquidation Term
Derivatives	$ 290,174	$ -	60 days after year end with 30 days after calender year end written notice	Not applicable

NOTE 5 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2022	2021
Building and building improvements	$ 77,556,243	$ 77,541,655
Land and land improvements	7,192,433	7,192,433
Equipment	5,982,193	5,818,638
Construction in progress	1,813,129	567,340
Computer equipment	1,536,056	1,560,651
Library books	104,308	104,308
	94,184,362	92,785,025
Accumulated depreciation	50,385,210	48,142,246
	$ 43,799,152	44,642,779

Depreciation expense amounted to $2,376,474 and $2,392,819 for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 — LONG-TERM DEBT

On December 1, 2013 the School entered into a Direct Placement Agreement for an $18,830,000 Series 2013 Bond. The Series 2013 Bond was issued for the purpose of financing the repairing, renovating, or replacing of facilities, fields, and parking lots on the School's Campus. Interest is payable monthly at variable rates determined by the Bank. Principal payments are due annually in varying amounts through the expiration date of October 2032.

Series 2013 Bond contains certain restrictive covenants including maintenance of certain financial ratios as defined in the Direct Placement Agreement and is collateralized by substantially all of the School's unrestricted revenues. As of June 30, 2022, the School remained in compliance with all of its financial covenants.

Long-term debt is summarized as follows at:

	June 30, 2022	June 30, 2021
Long-term debt	$ 11,822,191	$ 12,780,318
Less unamortized debt issuance costs	193,800	244,950
	$ 11,628,391	$ 12,535,368

The future scheduled maturities of long-term debt are as follows:

Year Ending June 30,	
2022	$ 998,654
2023	1,040,894
2024	1,084,927
2025	1,130,815
2026	1,178,652
Thereafter	6,388,249
	$ 11,822,191

Interest expense amounted to $558,870 and $540,199 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7 — PAYCHECK PROTECTION PROGRAM - LONG-TERM DEBT

On April 10, 2020, the School executed a note and received a loan in the amount of $1,652,000 (the “PPP Loan”) from PCSB Bank under the Paycheck Protection Program (“PPP”) which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration. The School accounted for the PPP Loan as a financial liability in accordance with Accounting Standards Codification (“ASC”) Topic 470 Debt. Accordingly, the PPP Loan was recognized as long-term debt in the School’s consolidated balance sheets. The proceeds from the PPP Loan will be used in accordance with the terms of the CARES Act program, as described further below.

The term of the PPP Loan is two years. The interest rate on the PPP Loan is 1.00%, which shall be deferred for the first six months of the term of the loan. Pursuant to the terms of the CARES Act, the proceeds of the PPP Loan may be used for payroll costs, mortgage interest, rent or utility costs. The promissory note evidencing the PPP Loan contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in a claim for the immediate repayment of all amounts outstanding under such PPP Loan, collection of all amounts owing from the respective Borrower, filing suit and obtaining judgment against the respective Borrower.

Under the terms of the CARES Act, Borrower can apply for and be granted forgiveness for all or a portion of the PPP Loan. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds in accordance with the terms of the CARES Act, as described above, during a period not to exceed a twenty-four week period after loan origination and the maintenance or achievement of certain employee levels. No assurance is provided that Borrower will obtain forgiveness under any relevant PPP Loan in whole or in part.

The School applied for and received forgiveness for the entire amount of the loan including $1,652,000 in principal in August 2021. The total amount forgiven of $1,652,000 is recorded as a gain from extinguishment of debt and recorded in other income within support and revenue of net assets without donor restrictions.

According to the rules of the SBA, the School is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the School’s judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the School may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 8 — PENSION PLANS

Defined Contribution Plan

The School has a noncontributory defined contribution plan covering substantially all employees. Contributions to the plan are calculated as a percentage of the employee's regular salary for the plan year. Contributions for the years ended June 30, 2022 and 2021 were $596,399 and $591,203, respectively.

NOTE 8 — PENSION PLANS (Continued)

Defined Benefit Plan

The School sponsors an unfunded supplemental defined benefit plan covering only faculty and administrative employees who completed fifteen years of service. Benefits were based upon years of service and compensation, less any benefits paid on other plans or Social Security. The Plan was frozen on July 1, 1995 and no additional benefits accrue.

An assumed weighted average discount rate of 2.58% and 2.38% was used in accounting for benefit obligations as of June 30, 2022 and 2021, respectively.

	2022	2021
Pension benefit obligation at year end	$ 1,166,877	$ 1,418,143
Fair Value of Plan assets at year end	-	-
Unfunded status at year end, recorded as accrued salary, fringe benefits and other liabilities	$ 1,166,877	$ 1,418,143
Amounts recognized in unrestricted net assets:		
Unamortized net loss	$ 90,977	$ 269,299
Components of net periodic pension costs:		
Interest cost	$ 34,968	$ 34,141
Amortization of net loss from prior periods	8,028	7,273
Net periodic pension costs	$ 42,996	$ 41,414
Change in unamortized items:		
Actuarial (loss) gain	$ (179,077)	$ 11,651
Amortization of actuarial gain (loss)	755	(6,639)
Total change in recognized unrestricted net assets	$ (178,322)	$ 5,012

Estimate of amortization of actuarial gain in 2022 is $755.

The School's funding policy is based upon and is in compliance with ERISA requirements. The School contributed $149,572 to the Plan for the years ended June 30, 2022 and 2021.

Estimated future benefit payments reflect expected future service for each fiscal year. The following benefits are expected to be paid:

Year Ending June 30,	
2023	$ 154,601
2024	154,601
2025	154,601

NOTE 9 — BENEFICIAL INTEREST IN PERPETUAL TRUST

The School is a beneficiary of a trust that consists of a portfolio of investments, principally common stocks, corporate bonds and mutual funds, maintained by perpetual trustees. Income received is to be expended for the general purposes of the School. Income recorded which is reported as investment return in net assets without donor restrictions, approximated $195,000 and $191,000 during the year ended June 30, 2022 and 2021. Unrealized gains (losses) related to the School's beneficial interest are reported as changes in net assets with donor restrictions.

NOTE 10 — CONCENTRATIONS OF CREDIT RISK

A substantial portion of the School's investment portfolio is represented by a limited partnership interest. Partnership distributions and the ability to liquidate this investment are limited by the partnership agreement (Notes 1 and 4). As of June 30, 2022, this investment in the limited partnership accounts for approximately 29% of the total fair value of all investments (25% in 2021).

Cash is maintained in FDIC insured accounts at credit qualified financial institutions. At times, such amounts may exceed the FDIC insurance limits. At June 30, 2022 uninsured cash and cash equivalent balances totaled approximately $9,021,000.

For the year ended June 30, 2022, 20% of the School’s contributions were attributed to one donor. For the year ended June 30, 2021, 11% of the School’s contributions were attributed to one donor. The contributions from these donors amounted to $750,000 and $150,000 in 2022 and 2021, respectively.

NOTE 11 — RISKS AND UNCERTAINTIES

The School invests in investment securities and an investment partnership which are exposed to various risks, such as interest rate risk, financial market risk and credit risk. Due to the level of risk associated with these investments, coupled with recent economic events, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 12 — ENDOWMENT

Financial Accounting Standards Board Accounting Standards Codification provides guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to Enacted Version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and Enhanced Disclosures for All Endowment Funds.

The School has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 12 — ENDOWMENT (Continued)

The portion of the donor-restricted endowment fund appropriated for expenditure by the School's Board of Trustees is done in a manner consistent with the standard of prudence prescribed by the UPMIFA. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the School to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with restrictions. Deficiencies would result from unfavorable market fluctuations that occur after the investment of donor restricted contributions and continued appropriation as deemed prudent by the School.

Investment Policy. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide a total rate of return with acceptable risk to preserve and enhance the purchasing power of the Fund's assets and all future contributions, with the long-term objective of achieving, over time, equity-like returns over full market cycles.

Spending Policy. The School has an endowment investment spending policy that places highest emphasis on meeting its operating budget obligations. The amount of endowment fund investment return (yield and appreciation) used annually to support operations is set to equal to a maximum 5% of the three-year rolling average of the portfolio value as of June 30th. Any excess return is retained in net assets with donor restrictions.

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	June 30, 2022			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Donor funds	$ -	$ 7,213,236	$ 19,881,596	$ 27,094,832
Board-designated funds	23,754,301	-	-	23,754,301
Total funds	$ 23,754,301	$ 7,213,236	$ 19,881,596	$ 50,849,133

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	June 30, 2021			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Donor funds	$ -	$ 11,532,925	$ 18,513,904	$ 30,046,829
Board-designated funds	27,125,972	-	-	27,125,972
Total funds	$ 27,125,972	$ 11,532,925	$ 18,513,904	$ 57,172,801

NOTE 12 — ENDOWMENT (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2022 are as follows:

	June 30, 2022			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 27,125,972	$ 11,532,925	$ 18,513,904	$ 57,172,801
Contributions	481,713	-	1,532,282	2,013,995
Investment income	1,585,595	1,841,905		3,427,500
Net appreciation	(3,853,384)	(4,319,689)	(164,590)	(8,337,663)
Amounts appropriated for expenditure	(1,585,595)	(1,841,905)	-	(3,427,500)
Endowment net assets, end of year	$ 23,754,301	$ 7,213,236	$ 19,881,596	$ 50,849,133

Changes in endowment net assets for the fiscal year ended June 30, 2021 are as follows:

	June 30, 2021			
		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 22,066,830	$ 6,238,465	$ 18,344,892	$ 46,650,187
Contributions	125,167	-	(46,002)	79,165
Investment income	1,790,524	1,994,577		3,785,101
Net appreciation	4,933,975	5,294,460	215,014	10,443,449
Amounts appropriated for expenditure	(1,790,524)	(1,994,577)	-	(3,785,101)
Endowment net assets, end of year	$ 27,125,972	$ 11,532,925	$ 18,513,904	$ 57,172,801

NOTE 13 — NET ASSETS WITHOUT DONOR RESTRICTIONS

The School maintains its accounts in accordance with the principles and practices of fund accounting. Certain net assets without donor restrictions are designated by the School's Board of Trustees for the following purposes at June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Unrestricted fund		
Designated for debt service	$ 298,797	$ 318,201
Designated for Board endowment	23,754,301	27,125,972
Undesignated	13,690,265	13,790,641
Centennial campaign fund	1,402,192	1,402,192
Decade campaign fund	15,378,138	14,544,426
	$ 54,523,693	$ 57,181,432

NOTE 14 — NET ASSETS WITH DONOR RESTRICTIONS

The School maintains its accounts in accordance with the principles and practices of fund accounting. Net assets with donor restrictions are subject to donor-imposed stipulations to support scholarships, faculty development, and school-related activities. Net assets with donor restrictions are subject to donor-imposed stipulations that require the principal to be invested in perpetuity. Investment returns are expendable to support scholarships, faculty development, and school-related activities. Net assets with donor restrictions as of June 30, 2022 and 2021 consisted of the following:

	June 30, 2022	June 30, 2021
Endowment corpus	$ 19,881,596	$ 18,513,904
Endowment earnings net of spending	7,213,236	11,532,925
Endowment fund	2,111,406	1,876,824
Perpetual trust	3,263,000	3,917,000
Restricted fund	2,301,203	2,069,971
Campaigns fund	148,593	148,593
	$ 34,919,034	$ 38,059,217

NOTE 15 — LIQUIDITY

The following reflects the School's operating financial assets as of June 30, 2022, reduced by the amounts not available for general use within one year due to contractual or donor-imposed restrictions. Amounts not available include amounts designated by the board. These board designated funds could be drawn upon if the governing board so approved.

Cash	$	6,342,868
Investments		24,053,094
Current pledge receivable, net		7,180
		30,403,142
Board designated funds		24,053,098
Financial assets available for general expenditures	$	6,350,044

In addition to these financial assets available for general expenditures, a significant portion of the School's annual expenditures will be funded by tuition and auxiliary program revenues. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 16 — COMMITMENTS AND CONTINGENCIES

Operating Leases

The School has operating leases on various vehicles. The remaining term of these leases range from one to two years. The following is a schedule of future minimum rental payments required under operating leases that have remaining non-cancelable terms in excess of one year at June 30, 2022:

Year Ending June 30,		
2023	$	34,522
2024		10,978
	$	45,500

Rent expense for all operating leases for the years ended June 30, 2022 and 2021 amounted to $44,669 and $46,034, respectively.

NOTE 16 — COMMITMENTS AND CONTINGENCIES (Continued)

Capital Lease

The School is the lessee of equipment with an aggregate cost basis of $74,216 and $144,178 for the years ended June 30, 2022 and 2021, respectively, under capital leases expiring through August 2023.

The future minimum payments including interest of the capital lease at June 30, 2022 are as follows:

Year Ending June 30,	
2023	16,941
2024	-
	16,941
Less amount representing interest:	1,123
Present value of future minmum lease payments	$ 15,818

Uncertainties

The School has become a party to claims incurred in the course of operating a boarding school. In the opinion of management, these matters have not, and are not, expected to have a material effect on the School's financial operations.

NOTE 17 — COVID-19

Global and domestic responses to the coronavirus disease ("COVID-19") outbreak continue to rapidly evolve. The extent of COVID-19's effect on the School's activities and financial performance will depend on future developments, including the duration, spread, and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapid evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the School, however, through June 30, 2022 the School's activities have not been negatively impacted. If the pandemic continues to evolve, the disease could have a material adverse effect on the School's financial position, activities and cash flows.

Dutchess County Industrial Development Agency
MRB Cost Benefit Calculator

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Date Februaruy 2, 2024
Project Title #2024-02 Trinity-Pawling School
Project Location Town of Pawling

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
$10,310,000

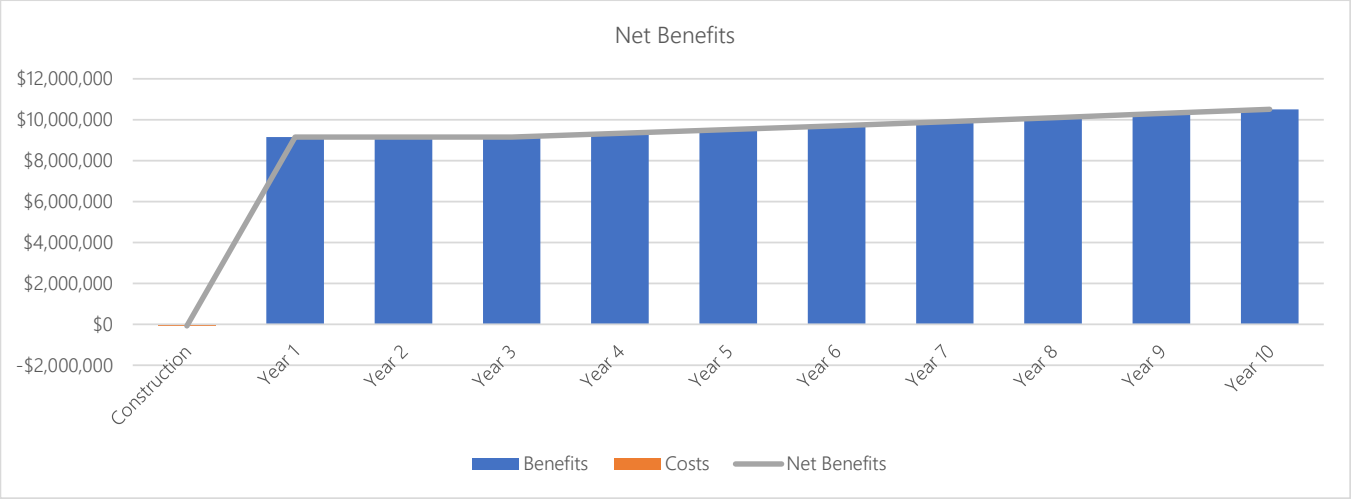
Temporary (Construction)

	Direct	Indirect	Total
Jobs	0	0	0
Earnings	$0	$0	$0
Local Spend	$0	$0	$0

Ongoing (Operations)
Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	107	17	124
Earnings	$125,876,270	$18,351,644	$144,227,914

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

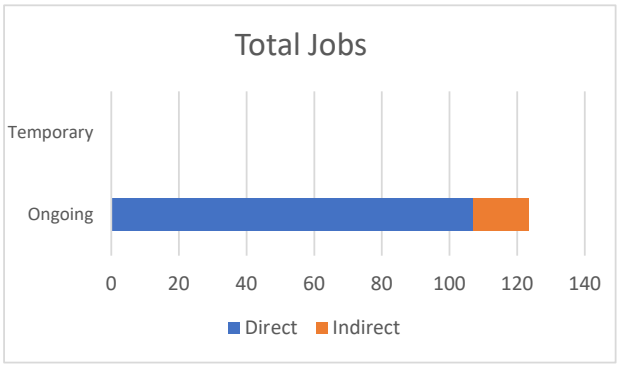
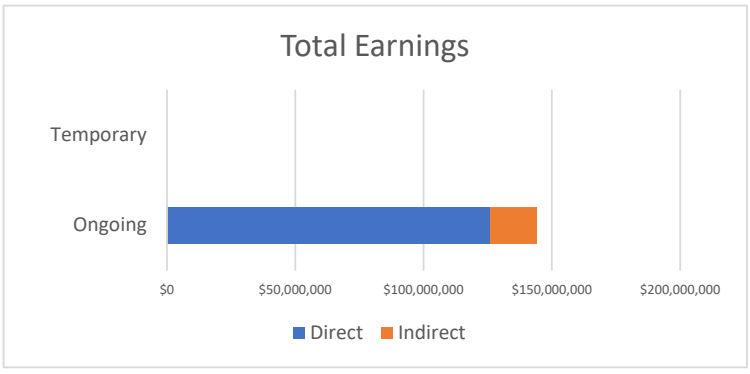


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

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Fiscal Impacts

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	$0	$0
Sales Tax Exemption	$0	$0
Local Sales Tax Exemption	*$0*	*$0*
State Sales Tax Exemption	*$0*	*$0*
Mortgage Recording Tax Exemption	$77,324	$77,324
Local Mortgage Recording Tax Exemption	*$207*	*$207*
State Mortgage Recording Tax Exemption	*$77,117*	*$77,117*
Total Costs	**$77,324**	**$77,324**

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	**$145,111,310**	**$123,461,792**
To Private Individuals	$144,227,914	$122,710,192
Temporary Payroll	*$0*	*$0*
Ongoing Payroll	*$144,227,914*	*$122,710,192*
Other Payments to Private Individuals	*$0*	*$0*
To the Public	$883,396	$751,600
Increase in Property Tax Revenue	*$0*	*$0*
Temporary Jobs - Sales Tax Revenue	*$0*	*$0*
Ongoing Jobs - Sales Tax Revenue	*$883,396*	*$751,600*
Other Local Municipal Revenue	*$0*	*$0*
State Benefits	**$7,499,852**	**$6,380,930**
To the Public	$7,499,852	$6,380,930
Temporary Income Tax Revenue	*$0*	*$0*
Ongoing Income Tax Revenue	*$6,490,256*	*$5,521,959*
Temporary Jobs - Sales Tax Revenue	*$0*	*$0*
Ongoing Jobs - Sales Tax Revenue	*$1,009,595*	*$858,971*
Total Benefits to State & Region	**$152,611,162**	**$129,842,722**

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$123,461,792	$207	597691:1
State	$6,380,930	$77,117	83:1
Grand Total	**$129,842,722**	**$77,324**	**1679:1**

*Discounted at 2%

Additional Comments from IDA

The Mortgage Tax Exemption in this case is the "Cost" of the Tax Exempt bond. Interest income from tax-exempt bonds are exempt from NYS tax.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

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Dutchess County Local Development Corporation

Project Evaluation of Projects Requesting LDC Benefits

Project: Trinity-Pawling School **Location:** Town of Pawling

Type of Business: Education – not for profit

Organization's Description

Trinity-Pawling School is an independent boarding and day school for grades 7-12 and post graduate level.

Project Description:

Trinity-Pawling School is requesting conduit tax-exempt bond financing through the DC LDC in the approximate amount of $10,310,000 to refund previously issued LDC Bonds series 2013. The 2013 Bond issuance included funds to replace athletic fields and tennis courts and other campus improvements and refunding previously issued 1998 and 2022 DCIDA bonds.

Project Timeline:

Proposed date for commencement of transaction or construction: February 2024

The actual or expected dates of:

Construction completion: N/A

Occupancy: N/A

Total Cost of Project:

Amount Private Investment

Total Project Cost $__10,310,000___

Amount of other public financial assistance, grants and source $___0____

Construction Costs: $0 Other Costs: $0

Estimated amount of Costs to State & Region:

Amount of Mortgage Recording Tax exemption: N/A

Projected bond term length: 8 years

Estimated tax savings on bond interest: $0

Estimated amount of Benefit to State & Region*:

Total Benefits to State & Regions(includes payroll & indirect sales tax-discounted)	$129,842,722
Benefit to Cost Ratio	1,679:1

*Provided by MRB Group

Project is consistent with Agency's Mission: Yes. The mission of the Dutchess County Local Development Corporation is to reduce underemployment and increase employment; provide assistance and financial incentives for the formation, retention, expansion, and attraction of not for profit and for-profit business to improve the economic vitality of the County. The project will allow the Trinity-Pawling School to retain its current workforce in Dutchess County and contribute to the County's economic viability by supporting the school's competitiveness to attract and retain students.

Local Benefits:

Full- time Jobs: ____107_____
Number of Jobs relocated to the County __0___
Number of existing jobs to be retained __107____
Total Number of new Jobs to be created ___0___ over _____ years.
Part-Time Jobs: __n/a_____
Annual average salary of jobs retained $_70,527___
Use of Local Workforce: Yes__n/a___ No_____

The 'but for' details the need for Agency tax assistance:

__Helps close a funding gap.
__Is competitive to offers from other states.
__Help a local company remain the business competitive.
__Is a key industrial clusters critical to the County's economy, including manufacturing, healthcare, information technology, education, tourism, energy, and agribusiness.
__Is essential services or businesses generally lacking in the County.
__Meets a local development or community goal.

Cost Benefit Analysis is attached: _Yes_____ **Other Attachments:** ___Application_____

CEO Comments of Importance

Trinity-Pawling is moving placement of the Series 2013 Bond from PNC Bank to PCSB Bank. This bond was re-issued in 2020 for a 3-year extension as a result of new variable bank purchase interest rate

Education is a key industry for Dutchess County and the project continue to support the County's economic development advantage of being home to diverse educational institutions.

The LDC and IDA uses a Cost/Benefit Tool produced by MRB Group's Economic Development Division. In this tool, the Tax Exempt Bond Costs are portrayed in the Mortgage Tax Exemption tab as the estimated amount of tax saved on the interest income of the bond issuance compared to a taxable bond over the life of the bond.

There is no construction related to this refunding therefore the Local Workforce Policy does not apply to this project.

Board Member QUESTIONS /COMMENTS

_____

_____

_____

_____

_____

_____

Completed by Board Member _____ Date_____202__

Print name _____

Dutchess County
Payment Request

Organization: Dutchess County Local Development Corporation

Program: Dutchess County Business Attraction, Marketing and Business Expansion & Retention Program

For the Period: 10/1/2023 to 12/31/2023

Indirect Rate: 0%

Payment Request: **$111,414.87**

Line Item / Category *See agreement for budget line items and enter them below*	Approved Budget	Prior Expenditures	Expenditures This Period	Total Expenditures	Remaining Balance
Personnel	$133,119.00	$111,889.18	$21,229.82	$133,119.00	$0.00
Fringe Benefits	$46,814.00	$45,189.53	$1,624.47	$46,814.00	($0.00)
Contractual/Consulting	$189,000.00	$130,500.00	$58,500.00	$189,000.00	$0.00
Travel/Meals	$8,000.00	$8,000.00	$0.00	$8,000.00	$0.00
Occupancy	$54,000.00	$40,608.27	$13,391.73	$54,000.00	$0.00
Other Expenses* *Includes: Marketing, Staff Training, Insurance, Dues, Client Costs, Printing and Equipment.*	$30,567.00	$13,898.15	$16,668.85	$30,567.00	$0.00
Direct subtotal:	**$461,500.00**	**$350,085.13**	**$111,414.87**	**$461,500.00**	**($0.00)**
Indirect Allowed:	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total:	**$461,500.00**	**$350,085.13**	**$111,414.87**	**$461,500.00**	**$0.00**

Paid Advance	Recoupment of Advance to date	Recoupment of Advance this Period	Total Recoupment of Advance	Remaining Advance
$0.00	$0.00		$0.00	$0.00

Remaining Funds for Disbursement	$0.00

ORGANIZATION CERTIFICATION: *By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objective set forth in the terms and conditions of the County and/or Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise (Federal Award References - U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)*

Sarah Lee — **Name (Printed)**

Executive Director — **Title (Printed)**

Signature

Date

DUTCHESS COUNTY APPROVAL ONLY		
Eoin Wrafter, Commissioner		
Name and Title (Printed)	**Signature**	**Date**

County Administration Only:

Item for Approval	Initials	Date	Year	2023
Budget/Documentation			**County Contract #**	
Financial			**Account #**	A.8020.4400.4483
Construction (CD only)	n/a	n/a	**IDIS # (CD only)**	n/a

DUTCHESS COUNTY CONTRACT AGENCY

Progress Report

Agency: *Dutchess County Economic Development Program*

Program: *Dutchess County Local Development Corporation*

Outcome Statement Should be the same statements as "Program Outcomes" in Scope of Services	**Total Target, Unduplicated Customers** that should achieve the outcome during a year of programming	**Actual, Unduplicated Customers**				**Total, Unduplicated Customers Year to Date**	
		1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	#	% of Target
Advertise in at least one industry cluster in publications related to target industries	2	1	0	1	1	3	150%
Conduct familarization tours for media and brokers	1	0	0	1	1	2	200%
Secure Media Placement in five publications	5	3	2	0	3	8	160%
Update photo library for marketing assets	1	0	0	0	1	1	100%
Release four e-newsletters.	4	1	1	0	2	4	100%
Increase website traffic 5%.	5% (goal 49,514 unique page views)	9,890	17,847	8,214	8,654	44,605	90%
Increase social media impressions by 5%.	5%	6.2%	7.8%	7.9%	7.2%	7.3%	n/a
Have a presence at tradeshows, conventions, and expositions for lead generation	4	0	4	2	0	6	150%
Increase lead generation by 2%	54	13	10	13	12	48	89%
Identify and market one vacant parcel or underutilized commercial / industrial property	1	0	0	1	0	1	100%
Conduct 30 site visits	30	8	13	16	20	57	190%
Provide general business counseling to 50 businesses	50	32	29	27	20	108	216%
Provide 5 topic specific business workshops	5	3	3	6	6	18	360%

Narrative – Provide a narrative on any accomplishments or outcomes not outlined above. This can include information on interim accomplishments which will lead to fulfillment of outcome statements.

Narrative

Advertising: Trade & Industry*, Site Selection Magazine, Business Facilities
FAM Tour: In 3rd quarter we arranged a virtual FAM tour for Bloomberg. In 4th quarter we hosted a virtual FAM tour for site selectors
Media Placement: *Trade & Industry Development, Aviation Week Network, American City & County, Westchester & Fairfield County Business Journal* , *Newsbreak* , PR Newswire, NBAA
Photo Library: Complete in 4th quarter
Newsletters: 4 new e-newsletters were distributed: *Dutchess County Expansions Invest in the Next Generation of Specialized Workforce/Tradewinds*
Dutchess County Takes the 'Worldwide Stage' in 2023, Key4Women Entpreneurship,
and *A Year in Review: New Business Development Announcements in Dutchess County*
Trade Show/Conventions: IAMC, Area Development Spring Conference, NYSCAR Annual Conference, SelectUSA, NYSCAR, IEDC
Web traffic: while higher than 2022, we will be looking to improve our SEO in 2024. However, we attended more trade shows to heighten awareness and to continue interest in Dutchess County
Lead Generation: consistent with industry trends, we are seeing a slow down in attraction projects due to high interest rates and lack of suitable space in the region
We also met with a roundtable of select site selector to help us our business attraction strategy for targeted lead generation
Market property: Promoted Dutchess County airport and aviation program
Site Visits: To counter the decrease in attraction leads we are focusing on retention & expansion projects and assisting existing businesses so funds were diverted to site visits and technical assistance
Technical Assistance: This is a growing service as we focus on entreprenuership and business retention
Business Workshops*: Three Things to Know Before Certification (Spanish), How to be Loan Ready, Be your own Boss* , *Sell Your Product Like a Pro (Spanish), Be Your Own Boss (Spanish)*
MWBE Certification Demystified, Use Technology to your Favor (Spanish), Intro to Bookkeeping in Quickbooks (in Spanish), MWBE Certification 101, United in Hispanic Success,
Empowering Entreprenuers, Igniting Ideas, Key4Women Business Seminar, Grow Your Business with AI, Crafting a Blueprint for Success Using the Business Model Canvas
Work for Yourself@50+, Be Your Own Boss (Spanish), Funding 101: Your Path to Business Succes s

*In first quarter 2023, we miscategorized a reimbursement expense. The advertising expense for Trade & Industry magazine should have been requested under "Other Expenses" and not Contractural/Consulting. We have corrected this with our 3rd quarter reimbursement request.

Dutchess County
Payment Request

Organization: Dutchess County Local Development Corporation
Program: American Rescue Plan (ARP) Entrepreneurial and Job Skill Development Initiatives
For the Period: 10/1/2023 to 12/31/2023
Indirect Rate: 0%
Payment Request: **$22,500.00**

Line Item / Category *See agreement for budget line items and enter them below*	Approved Budget	Revised Budget	Prior Expenditures	Expenditures This Period	Total Expenditures	Remaining Balance
Personnel	$32,025.00	$30,897.50	$30,897.50	$0.00	$30,897.50	($0.00)
Fringe Benefits	$2,450.00	$6,514.00	$6,514.00	$0.00	$6,514.00	($0.00)
Program Services (*may include contractual / consulting services,*	$242,544.00	$239,607.50	$209,607.50	$22,500.00	$232,107.50	$7,500.00
Occupancy	$7,231.00	$7,231.00	$7,231.00	$0.00	$7,231.00	$0.00
Direct subtotal:	**$284,250.00**	**$284,250.00**	**$254,250.00**	**$22,500.00**	**$276,750.00**	**$7,500.00**
Indirect Allowed:	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total:	**$284,250.00**	**$284,250.00**	**$254,250.00**	**$22,500.00**	**$276,750.00**	**$7,500.00**

Paid Advance		Recoupment of Advance to date	Recoupment of Advance this Period	Total Recoupment of Advance	Remaining Advance
$0.00		$0.00		$0.00	$0.00

Remaining Funds for Disbursement **$7,500.00**

ORGANIZATION CERTIFICATION: *By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objective set forth in the terms and conditions of the County and/or Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise (Federal Award References - U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)*

Sarah Lee — **Name (Printed)**
Executive Director — **Title (Printed)**

Signature
Date

DUTCHESS COUNTY APPROVAL ONLY

Eoin Wrafter, Commissioner

Name and Title (Printed) **Signature** **Date**

County Administration Only:

Item for Approval	Initials	Date	Year	
Budget/Documentation			County Contract #	
Financial			Account # (CD only)	
Construction (CD only)			IDIS # (CD only)	

DUTCHESS COUNTY CONTRACT AGENCY
Progress Report 2023

Agency: *Dutchess County Economic Development Program*
Program: *Dutchess County Local Development Corporation - ARP Funds*

Outcome Statement Should be the same statements as "Program Outcomes" in Scope of Services	**Total Target, Unduplicated Customers** that should achieve the outcome during a year of programming	**Actual, Unduplicated Customers**				**Total, Unduplicated Customers Year to Date**	
		1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	#	% of Target
Provide 25 entrepreneurs access to the local entrepreneur ecosystem and support programs	25	0	11	19	0	30	120%
Produce a marketing campaign to promote workforce pathways for Dutchess County residents including:							
A Thought Leadership event to promote local workforce initiatives and to educate stakeholders	1	0	0	0	0	0	0%
Marketing promotional support pieces	1	0	0	1	0	1	100%

Narrative – Provide a narrative on any accomplishments or outcomes not outlined above. This can include information on interim accomplishments which will lead to fulfillment of outcome statements.

Narrative

We provided 30 entrepreneurs access to local events and business support resources using one on one meeting and through our Entrepreneurship on-line platform.
We produced digital marketing pieces to promote our digital platform to expand access to local business support programs and events.
To continue our work into 2024 we are planning a series of business webinars using our entpreneurship platform.
Planning for the webinars began in 4th quarter but will be executed in 2024. There are reimbursement requests related to the planning of these webinars.

THE COMPANY: The Dutchess County Local Development Corporation (DCLDC) is a Not-For-Profit Corporation created by the Dutchess County government under the New York Not-For-Profit Corporation Law 2010 to promote economic development and job creation in Dutchess County. The DCLDC induces companies to invest capital in projects that create jobs and increase the county's tax base, thereby improving the quality of life for Dutchess County residents.

OUR MISSION: The mission of the Dutchess County Local Development Corporation is to reduce underemployment and increase employment; provide assistance and financial incentives for the formation, retention, expansion, and attraction of not for profit and for-profit business to improve the economic vitality of the County.

THE POSITION: The Compliance Associate will be responsible for the day-to-day management, maintenance, data accuracy and enforcement of a diversified portfolio of Dutchess County Industrial Development Agency (DCIDA), Dutchess County Local Development Corporation (DCLDC) and Think Dutchess agreements. This person will also be responsible for assisting in reporting, reconciliations, portfolio and database management, and maintain compliance with applicable federal, state and local laws and regulations as well as internal policies.

SUPERVISOR: DCLDC CEO

PRIMARY RESPONSIBILITIES:

- Directs, interprets, and assures compliance with all federal, state and local laws and regulations including Public Authorities Accountability Act and New York State General Municipal Law.
- Responsible for the collection, data verification and compilation of complex reports to various oversight authorities as require by law as well as internal policies.
- Verifies and maintains client compliance with various agreements including employment, financials, subtenant, fee requirements, and sales tax filings.
- Maintains and updates project files in agency database. Prepares and distributes correspondence to clients explaining compliance requirements and meets with clients to explain requirements, as necessary.
- Maintains files and drafts correspondence documenting client compliance, defaults, and corrective actions.
- Researches, analyzes, and reviews reports to determine compliance-related trends; evaluates effectiveness, efficiency, and reliability of current procedures.
- Coordinate PILOT payment collections and payments
- Work with Executive Director to compile and input data for PARIS reporting
- Assist with developing and delivering presentations to Board of Directors and/or various internal committees
- Monitors subcontractors for compliance with local, state and federal regulations
- Ensures agency compliance with internal policies and procedures.

DRAFT

- Develops, initiates, maintains and revises policies and procedures for the general operation of the compliance program including the accounting policies, procedures and internal controls.
- Act as the Freedom of Information Officer of the Agency in accordance with the provisions of the New York State Freedom of Information Law
- Maintain database for reporting.
- Other duties as assigned.

DRAFT

SUPERVISORY RESPONSIBILITIES

- None

KEY SKILLS AND CHARACTERISTICS

- Ethical decision maker, maintains confidentiality.
- Ability to read, interpret and analyze legal documents.
- Demonstrated critical thought to interpret and implement local, state, and federal regulations.
- Ability to prioritize competing needs.
- Pro-active, collaborative and team oriented.
- Strong verbal presentation skills essential.
- Professional written and oral communication skills.

MINIMUM QUALIFICATIONS

- Bachelor's degree or equivalent in business, economics, public administration or related field.
- 3-5 years in workforce experience preferred.
- Basic to intermediate capabilities using Microsoft Word, Excel, Power Point and CRM.
- Strong mathematics, accounting, and reconciliation skills preferred.
- Strong analytical skills with the ability to collect, organize, review and disseminate significant amount of information with attention to detail and accuracy.

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