

BOND PURCHASE AGREEMENT

by and among

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

SPINNEY HILL HOMES II L.P.

and

CAPITAL ONE, NATIONAL ASSOCIATION

Dated December 22, 2008

Relating to:

**\$6,700,000 Nassau County Industrial Development
Agency Multifamily Housing Revenue Bonds
(Spinney Hill Homes II L.P. Project),
Series 2008**

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CAPITAL ONE, NATIONAL ASSOCIATION, a national association (together with its successors, assigns or designees hereunder, the "Purchaser"), hereby offers to enter into the following agreement with the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York (together with its successors and assigns, the "Issuer") and SPINNEY HILL HOMES II L.P., a limited partnership duly organized and existing under the laws of the State of New York (together with its permitted successors and assigns, the "Borrower"), for the sale by the Issuer and the purchase by the Purchaser or its designee of the Bonds described below, which are being issued by the Issuer for the benefit of the Borrower. Upon your acceptance of this offer and your execution and delivery of this Agreement, this Agreement will be binding upon each of you and the Purchaser. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Agreement to the Purchaser, at or prior to 5:00 p.m., eastern time, on December 22, 2008 and will expire if not so accepted at or prior to such time (or such later time as the Purchaser may agree in writing).

Section 1. Definitions. The capitalized terms used in this Agreement have the meanings assigned to them in the Glossary of Terms attached as Exhibit A hereto.

Section 2. Purchase and Sale.

2.1 Subject to the terms and conditions set forth in this Agreement, the Purchaser hereby agrees to purchase from the Issuer or cause its designee to purchase from the Issuer, and the Issuer hereby agrees to sell to the Purchaser or the Purchaser's designee when, as and if issued, all (but not less than all) of the Bonds identified in Item 1 in Exhibit B attached hereto in exchange for delivery by the Purchaser of the purchase price for the Bonds as set forth in the Indenture (the "Purchase Price").

2.2 The Bonds will (i) be issued pursuant to the Resolution and the Indenture and (ii) have the payment related terms (that is, the dated date, maturity dates, interest rate, interest payment dates and redemption provisions) as set forth in the Indenture.

Section 3. Closing. The Closing will take place at such time, date and place as may be mutually agreed upon by the Issuer and the Purchaser. At the Closing, the Issuer will direct the Trustee to deliver the Bonds to or upon the order of the Purchaser, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer will deliver or cause to be delivered at the offices of Troutman Sanders LLP, 405 Lexington Avenue, New York, New York 10017, the other documents and instruments to be delivered pursuant to this Agreement (the "Closing Documents") and the Purchaser will accept delivery of the Bonds and Closing Documents and simultaneously will deliver the Purchase Price for the Bonds, by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer directs. The Bonds will be made available to the Purchaser one business day before the Closing at the closing location for purposes of inspection. The Bonds will be prepared and delivered as set forth in the Indenture.

Section 4. Representations of Issuer.

4.1 The Issuer hereby makes the following representations to the Purchaser, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Issuer is a public benefit corporation of the State of New York and is authorized to execute and deliver this Agreement and the Issuer Documents and to issue, sell and deliver the Bonds pursuant to the laws of the State, including particularly the Act.

(b) The Issuer has, and as of the Closing Date will have, all necessary power and authority to (i) execute and deliver this Agreement and the Issuer Documents, (ii) issue the Bonds in the manner contemplated by the Resolution, this Agreement and the Indenture, and (iii) otherwise consummate the transactions contemplated by the Resolution, this Agreement, and the Issuer Documents.

(c) At the time of its adoption, the Issuer had all necessary power and authority to adopt the Resolution.

(d) The Issuer has duly adopted the Resolution at a meeting duly called and held in accordance with applicable law and procedures of the Issuer, and since that time the Resolution has not been rescinded, amended or modified.

(e) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized the (i) execution and delivery of this Agreement, the Bonds, and the Issuer Documents, (ii) performance by the Issuer of the obligations contained in the Bonds and in the Issuer Documents, and (iii) consummation by the Issuer of all of the transactions contemplated hereby, and by the Issuer Documents.

(f) Assuming the valid authorization, execution and delivery of this Agreement and the Issuer Documents by the other parties hereto and thereto and the authentication of the Bonds by the Trustee, this Agreement is, the Bonds and the other Issuer Documents will be, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(g) All consents, approvals, orders or authorizations of, notices to, or filings, registrations or declarations with any court or governmental authority, board, agency, commission or body having jurisdiction which are required by or on behalf of the Issuer for the execution and delivery by the Issuer of this Agreement, the Issuer Documents, or the Bonds, or the consummation by the Issuer of the transactions contemplated hereby or thereby, have been obtained or will be obtained prior to Closing, except for the filing of the IRS Form 8038 (which will be timely filed after Closing).

(h) The execution and delivery by the Issuer of this Agreement, the Bonds, and the Issuer Documents, and the consummation by the Issuer of the transactions contemplated hereby and thereby are not prohibited by, do not violate any provision of, and will not result in the breach of or default under (i) the Act, the Constitution of the State or the organizational

documents of the Issuer, (ii) any applicable law, rule, regulation, order, writ, judgment, decree, order or other requirement applicable to the Issuer, or (iii) any contract, indenture, agreement, mortgage, lease, note, commitment or other obligation or instrument to which the Issuer is a party or by which the Issuer or its properties is bound.

(i) The Issuer is aware of no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or threatened against or affecting the Issuer or its officials, in their respective capacities as such, or, to the best knowledge of the Issuer, any meritorious basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds or the collection of revenues pledged under the Indenture, (ii) which would in any way contest or affect the organization or existence of the Issuer or the entitlement of any officers of the Issuer to their respective offices or (iii) which may reasonably be expected to contest or have a material and adverse effect upon (A) the due performance by the Issuer of this Agreement or the Issuer Documents or the transactions contemplated hereby or thereby, (B) the validity or enforceability of the Bonds, the Resolution, this Agreement, the Issuer Documents, or any other agreement or instrument to which the Issuer is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, or (C) the exclusion of the interest on the Bonds from the gross income of the holders thereof for federal income tax purposes. The Issuer is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

(j) When delivered to the Purchaser after receipt of payment therefor in accordance with the provisions of this Agreement, the Bonds will be duly authorized, executed, issued, and delivered and will constitute the Issuer's legal, valid and binding special, limited obligations, enforceable in accordance with their terms (except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity), and will be entitled to the benefit and security of the Indenture.

(k) Other than the Issuer Documents, the Issuer has not entered into any contract or arrangement that might give rise to any lien or encumbrance on the revenues or other assets, properties, funds or interests pledged pursuant to the Indenture.

(l) The Issuer has not taken or omitted to take on or prior to the date hereof any action, that would adversely affect the exclusion of the interest on the Bonds from the gross income of the holders thereof for federal income tax purposes.

(m) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer whose arbitrage certifications may not be relied upon.

(n) On the Closing Date, each of the representations and warranties of the Issuer contained herein and in the Issuer Documents shall be true, correct and complete.

4.2 Each of the representations set forth in this section will survive the Closing.

4.3 Any certificate signed by any official of the Issuer and delivered to the Purchaser in connection with the delivery of the Bonds will be deemed to be a representation by the Issuer to the Purchaser as to the statements made therein.

Section 5. Representations and Warranties of Borrower.

5.1 The Borrower makes the following representations and warranties to the Issuer and the Purchaser as of the date hereof, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Borrower is, and at all times will be, a limited partnership, duly organized, validly existing and in good standing under the laws of the State of New York. Spinney Hill Homes II Housing Development Fund Company, Inc., the general partner of the Borrower (the "General Partner"), is, and at all times will be, a not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of New York.

(b) The Borrower has, and on the Closing Date will have, full legal right, power and authority (i) to execute and deliver this Agreement and the Borrower Documents and (ii) to consummate the transactions contemplated by this Agreement and the Borrower Documents. The General Partner has, and on the Closing Date will have, full legal right, power and authority to execute and deliver this Agreement and the Borrower Documents on behalf of the Borrower.

(c) The Borrower has duly authorized the execution and delivery of this Agreement and the performance by the Borrower of the obligations contained herein and prior to the Closing Date the Borrower will have duly authorized the (i) execution and delivery of the Borrower Documents, (ii) performance by the Borrower of the obligations contained in the Borrower Documents, and (iii) consummation by the Borrower of all transactions contemplated hereby and by the Borrower Documents.

(d) All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Borrower or for the execution and delivery by the Borrower of this Agreement and the Borrower Documents or the consummation by the Borrower of the transactions contemplated hereby or thereby have been obtained or will be obtained prior to the Closing Date.

(e) The Borrower has not taken or omitted to take on or prior to the date hereof any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of the holders thereof for purposes of federal income taxation.

(f) All information concerning the Project, the Borrower, the General Partner and the Guarantors submitted to the Purchaser is true and correct in all material respects as of the date hereof and does not omit to state a material fact necessary to make the statements therein not misleading.

(g) There is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or

person) pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or the General Partner or, to the best knowledge of the Borrower, any basis therefor (i) in any way affecting the organization and existence of the Borrower or the General Partner, (ii) contesting or materially affecting the validity or enforceability of this Agreement or the Borrower Documents, (iii) contesting the powers of the Borrower or its authority with respect to the Borrower Documents, (iv) contesting the authority of the General Partner to act on behalf of the Borrower, (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the operations of the Borrower or the General Partner, (B) the due performance by the Borrower of the Borrower Documents, (C) the validity or enforceability of any of the Borrower Documents, or the transactions contemplated hereby or by any Borrower Document, or (vi) in any way contesting the exclusion from the gross income of the holders thereof for purposes of federal income taxation of the interest on the Bonds.

(h) This Agreement is, and, when executed and delivered by the Borrower and the other parties thereto, the Borrower Documents will be, the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(i) The execution and delivery by the Borrower of this Agreement and the Borrower Documents and the consummation by the Borrower of the transactions contemplated thereby and hereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under (i) organizational documents of the Borrower, (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which the Borrower is subject, or (iii) any contract, indenture, agreement, mortgage, lease, commitment or other obligation or instrument to which the Borrower is a party or by which the Borrower or its properties is bound.

5.2 Each of the representations and warranties set forth in this Section will survive the Closing.

5.3 Any certificate signed by the Borrower or the General Partner and delivered to the Purchaser shall be deemed a representation and warranty by the Borrower to the Purchaser as to the statements made therein.

Section 6. Covenants. The Issuer hereby makes the following covenants with the Purchaser:

(a) Prior to the Closing, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Resolution without prior written notice to the Purchaser.

(b) Prior to the Closing, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Indenture and the other Issuer Documents.

(c) After all conditions have been met with respect to the issuance of the Bonds (including without limitation the payment of the purchase price), the Issuer will cause the Bonds to be delivered in accordance with this Agreement, and upon receipt of evidence that the Trustee has received the Purchase Price set forth Section 2.1 hereof, to the address and at the time specified by the Purchaser in conjunction with the Closing.

(d) The Issuer will not knowingly take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

(e) Prior to the Closing, the Issuer will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that would constitute a condition precedent to the performance by it of obligations under the Resolution, this Agreement and the Issuer Documents.

6.2 The Borrower hereby makes the following covenants with the Issuer and the Purchaser:

(a) The Borrower will not take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

(b) Prior to the Closing, the Borrower will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency, if any, that would constitute a condition precedent to the performance by it of its obligations under this Agreement and the Borrower Documents.

(c) The Borrower will not voluntarily undertake any course of action inconsistent with the satisfaction by the Borrower of the requirements applicable to it, as set forth in this Agreement and the Borrower Documents.

Section 7. Conditions of Closing.

7.1 The Purchaser has entered into this Agreement in reliance upon representations, covenants and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Purchaser's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds will be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations, covenants and agreements of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and will also be subject to the following additional conditions:

(a) The Purchaser shall not have discovered any material error, misstatement or omission in the representations and warranties made by either of you in this Agreement, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true in all material respects.

(b) Each of you shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by you at or prior to Closing.

(c) This Agreement, the Issuer Documents, the Borrower Documents, the General Partner Documents and the Guarantor Documents each shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date and shall be in form and substance satisfactory to the Purchaser and no event of default shall exist under any such documents.

7.2 In addition to the conditions set forth in Section 7.1, the obligations of the Purchaser to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Purchaser of the following items:

(a) An opinion of Troutman Sanders, Bond Counsel, dated the Closing Date, in form and substance reasonably satisfactory to Purchaser.

(b) An opinion of Troutman Sanders LLP, counsel to the Issuer, reasonably satisfactory in form and substance to the Purchaser, dated the Closing Date and addressed to the Purchaser.

(c) An opinion of Cannon Heyman & Weiss, LLP, counsel to the Guarantor, satisfactory in form and substance to the Purchaser, dated the Closing Date and addressed to the Purchaser.

(d) An opinion of Berkman, Henoch, Peterson & Peddy, P.C., counsel to the Borrower and the General Partner, satisfactory in form and substance to the Purchaser, dated the Closing Date and addressed to the Purchaser.

(e) A certificate of the Issuer, dated the Closing Date and reasonably satisfactory to the Purchaser, signed by an authorized officer of the Issuer, that: (1) each of the attached organizational documents, certificate of good standing, authorizing resolution and certificate of incumbency is true, correct and complete and has not been amended, modified or rescinded; (2) each of the Issuer's representations and warranties contained herein and in all Issuer Documents is true and correct in all material respects on and as of the Closing Date; (3) the Issuer has performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it at or prior to the Closing; and (4) such other matters reasonably requested by the Purchaser.

(f) A certificate of the Issuer, dated the Closing Date and signed by an authorized officer of the Issuer, in form and substance satisfactory to the Purchaser and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion.

(g) A certificate of the Borrower, dated the Closing Date and satisfactory to the Purchaser, signed by the General Partner, that: (1) each of the attached organizational documents, certificate of existence, authorizing resolution and evidence of incumbency is true, correct and complete and has not been amended, modified or rescinded; (2) each of the Borrower's representations and warranties contained herein and in the Borrower Documents is true and correct in all material respects on and as of the Closing Date; (3) the Borrower has performed and complied with all agreements and conditions required of the Borrower by this Agreement to be performed and complied with by it at or prior to the Closing; and (4) such other matters reasonably requested by the Purchaser.

(h) A certificate of the Borrower, dated the Closing Date and signed by the General Partner, in form and substance satisfactory to the Purchaser and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion, including that the Borrower and the Project are on such date in compliance with the restrictions contained in the Regulatory Agreement.

(i) A certificate of the General Partner, dated the Closing Date and in form and substance satisfactory to the Purchaser, signed by an authorized representative of the General Partner, that: (1) each of the attached organizational documents, certificate of existence and authorizing resolution is true, correct and complete and has not been amended, modified or rescinded; (2) the General Partner is a not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of New York, with full legal right, power and authority to execute and deliver this Agreement, the Borrower Documents on behalf of the Borrower and the General Partner Documents; (3) the General Partner has, by all necessary action, duly authorized the execution and delivery by it as the General Partner of the Borrower of this Agreement, the Borrower Documents and the General Partner Documents; (4) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental body is required by or on behalf of the General Partner for the execution and delivery by the General Partner of the Borrower Documents or the General Partner Documents and the performance by the General Partner thereunder; (5) the execution and delivery by the General Partner of this Agreement and the Borrower Documents by it as the General Partner of the Borrower and the General Partner Documents and the performance by the General Partner thereunder do not violate the organizational documents of the General Partner, any applicable law, rule or regulation, or any court order by which the General Partner is bound, and such actions do not constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the General Partner is a party or by which it or its properties is bound; (6) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or to its best knowledge threatened against the General Partner or, to the best knowledge of the General Partner, any basis therefor (i) in any way contesting the existence of the General Partner, (ii) in any way contesting the authority of the representatives of the General Partner to act on behalf of the General Partner or (iii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the General Partner or the consummation of the transactions on the part of the General Partner or the Borrower contemplated hereby or by any Borrower Document or any General Partner Document; and (7) such other matters reasonably requested by the Purchaser.

(j) A certificate of the Individual Guarantor, dated the Closing Date and in form and substance satisfactory to the Purchaser signed by the Individual Guarantor, that: (1) D. Garry Munson is an individual and resident of the State of [New York]; (2) no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required as a condition to the valid execution, delivery or performance by the Individual Guarantor of the Guarantor Documents, except as have already been obtained; all such items as are required and obtained are in full force and effect on the date hereof; (3) neither the execution and delivery by the Individual Guarantor of the Guarantor Documents nor the performance by the Individual Guarantor of its obligations thereunder will (i) conflict with or result in the violation of any law, statute or regulation applicable to the Individual Guarantor, (ii) result in the violation of any judgment, injunction, order, writ or decree of any court or governmental authority binding upon the Individual Guarantor or any of their property or (iii) conflict with or result in a default or in creation of a lien under any agreement to which the Individual Guarantor is a party or by which the Individual Guarantor or any of its respective properties are bound; (4) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or, to the best knowledge of the undersigned, threatened against or affecting the Individual Guarantor, nor, to the best knowledge of the undersigned, any meritorious basis therefor (i) contesting or materially affecting the validity or enforceability of the Guarantor Documents, or (ii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the performance by the Individual Guarantor of its obligations under the Guarantor Documents, or the validity or enforceability of the Guarantor Documents or the transactions contemplated thereby; and (5) such other matters reasonably requested by the Purchaser.

(k) A Certificate of the Corporate Guarantor, dated the Closing Date and satisfactory to the Purchaser, signed by an authorized officer of the Corporate Guarantor, that: (1) the attached organizational documents, certificates of good standing, qualifications to do business, authorizing resolution and evidence of incumbency is true, correct and complete and has not been amended, modified or rescinded; (2) the Corporate Guarantor is duly organized, validly existing and in good standing under the laws of the State and qualified to do business under the laws of the State with full legal right, power and authority to execute and deliver the Guarantor Documents to which it is a party; (3) the Corporate Guarantor has, by all necessary action, duly authorized the execution and delivery of the Guarantor Documents to which it is a party; (4) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental body is required by or on behalf of the Corporate Guarantor for the execution and delivery by the Corporate Guarantor of the Guarantor Documents, and the performance by the Corporate Guarantor thereunder; (5) the execution and delivery by the Corporate Guarantor of the Guarantor Documents to which it is a party, and the performance by the Corporate Guarantor thereunder do not violate the organizational documents of the Corporate Guarantor, any applicable law, rule or regulation, or any court order by which the Guarantor are bound, and such actions do not constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the Corporate Guarantor is a party or by which it or its properties is bound; (6) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or, to the best knowledge of the Corporate Guarantor, threatened against the Corporate Guarantor or, to the best knowledge of the Corporate Guarantor,

any basis therefor (i) in any way contesting the existence of the Corporate Guarantor, (ii) in any way contesting the authority of the officers of the Corporate Guarantor to act on behalf of the Corporate Guarantor or (iii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Corporate Guarantor or the consummation of the transactions on the part of the Corporate Guarantor, contemplated hereby or by any Guarantor Document; and (7) such other matters reasonably requested by the Purchaser.

(l) A certificate of the North Hempstead Housing Authority, dated the closing date and satisfactory to the Purchaser, signed by an authorized officer of the North Hempstead Housing Authority, that: (1) the attached organizational documents, certificates of good standing, qualifications to do business, authorizing resolution and evidence of incumbency is true, correct and complete and has not been amended, modified or rescinded; (2) the North Hempstead Housing Authority is duly organized, validly existing and in good standing under the laws of the State and qualified to do business under the laws of the State with full legal right, power and authority to execute and deliver the Guarantor Documents to which it is a party; (3) the North Hempstead Housing Authority has, by all necessary action, duly authorized the execution and delivery of the Guarantor Documents to which it is a party; (4) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental body is required by or on behalf of the North Hempstead Housing Authority for the execution and delivery by the North Hempstead Housing Authority of the Guarantor Documents, and the performance by the North Hempstead Housing Authority thereunder; (5) the execution and delivery by the North Hempstead Housing Authority of the Guarantor Documents to which it is a party, and the performance by the North Hempstead Housing Authority thereunder do not violate the organizational documents of the North Hempstead Housing Authority, any applicable law, rule or regulation, or any court order by which the North Hempstead Housing Authority is bound, and such actions do not constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the North Hempstead Housing Authority is a party or by which it or its properties is bound; (6) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or, to the best knowledge of the North Hempstead Housing Authority, threatened against the North Hempstead Housing Authority or, to the best knowledge of the North Hempstead Housing Authority, any basis therefor (i) in any way contesting the existence of the North Hempstead Housing Authority, (ii) in any way contesting the authority of the officers of the North Hempstead Housing Authority to act on behalf of the North Hempstead Housing Authority or (iii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the North Hempstead Housing Authority or the consummation of the transactions on the part of the North Hempstead Housing Authority, contemplated hereby or by any Guarantor Document; and (7) such other matters reasonably requested by the Purchaser.

(m) Intentionally omitted.

(n) A properly completed and executed IRS Form 8038 as to the Bonds to be timely filed with the IRS following the Closing Date.

(o) A title insurance policy insuring the validity and priority of the Mortgage and otherwise in form and substance reasonably satisfactory to Purchaser.

(p) A certified copy of the Resolution and an executed counterpart original of each of the Issuer Documents, the Borrower Documents, the General Partner Documents, and the Guarantor Documents.

(q) Such additional financing statements, legal opinions, certificates and other documents as the Purchaser or Bond Counsel may reasonably deem necessary to evidence the truth and accuracy as of the Closing Date of your respective representations and warranties herein contained and to evidence compliance by the Issuer and the Borrower with this Agreement and all applicable legal requirements, and the due performance and satisfaction by either of you at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by you.

7.3 If any of the conditions set forth in Sections 7.1 or 7.2 have not been met on the Closing Date, the Purchaser may, at its sole option, terminate this Agreement or proceed to Closing upon waiving any rights under this Agreement with respect to any such condition. If this Agreement is terminated pursuant to this Section, neither party will have any rights or obligations to the other, except as provided in Section 10.

Section 8. Actions and Events at the Closing. The following events will take place at the Closing:

(a) The Issuer will deliver the Bonds to the Purchaser or its designee, at the place set forth in Item 4 in Exhibit B. The Bonds so delivered will be in the form required by the Indenture, duly executed on behalf of the Issuer and authenticated by the Trustee, and will be fully registered in the names requested by the Purchaser or its designee.

(b) You will deliver or cause to be delivered to the Purchaser at the place set forth in Item 4 in Exhibit B, or at such other place or places as you and the Purchaser may mutually agree upon, the materials described in Section 7.2.

(c) The Purchaser or its designee will deliver to the Trustee, for the account of the Issuer or as the Issuer directs, an amount equal to the Purchase Price of the Bonds by wire transfer to the Trustee, in immediately available federal funds, to be released in accordance with the Indenture upon the issuance of the Bonds.

Section 9. Termination of Agreement. The Purchaser may terminate this Agreement, without liability therefor, by notifying you at any time prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee or be pending in committee, or any decision is rendered by any court of competent jurisdiction, or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable judgment of the Purchaser, has the

purpose or effect of subjecting interest on the Bonds to inclusion in gross income of the holders thereof for purposes of federal income taxation; or

(b) Any legislation is introduced in, or enacted by the United States Congress or any action is taken by, or on behalf of, the Securities and Exchange Commission, that, in the opinion of counsel to the Purchaser has the effect of requiring (i) the Bonds or the interests in the Lease Agreement or other financing documents to be registered under the 1933 Act or the Indenture to be qualified under the 1939 Act, or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Agreement, the Issuer Documents, the Borrower Documents, the General Partner Documents or the Guarantor documents which cannot, without undue expense, be obtained prior to the Closing Date.

Section 10. Fees and Expenses; Costs of Issuance. The Borrower shall pay or cause to be paid the Purchaser's commitment fee of 0.75% of the original face amount of the Bonds and all costs of issuance of the Bonds, including all reasonable expenses incident to the performance of the Purchaser's obligations hereunder in connection with its purchase of the Bonds, including, but not limited to, (i) the cost of the preparation, printing or other reproduction of the Resolution, this Agreement, the Issuer Documents, the Borrower Documents, the General Partner Documents and the Guarantor Documents, in reasonable quantities for distribution, (ii) the cost of producing, authenticating and delivering the Bonds, (iii) the fees and disbursements of Bond Counsel, Issuer's counsel, Purchaser's counsel and Trustee's counsel, (iv) the fees and expenses, including without limitation all initial and continuing fees and expenses, of the Trustee and all paying agents, transfer agents and bond registrars and (v) the fees and expenses, including travel expenses, incurred by your representatives in connection with the issuance, sale and delivery of the Bonds.

Section 11. Miscellaneous.

11.1 All notices, demands and formal actions hereunder will be in writing and mailed, telecopied or delivered to the following addresses or such other address as any of the parties shall specify:

If to the Purchaser: Capital One, National Association
404 Fifth Avenue, 3rd Floor
New York, New York 10018
Attention: Edward Santos

With a copy to: Jones Day
222 East 41st Street
New York, New York 10017
Attention: Aviva Yakren, Esq.

If to the Issuer: Nassau County Industrial Development
Agency
1100 Franklin Avenue, Suite 300
Garden City, New York 11530

With a copy to: Troutman Saunders LLP
405 Lexington Avenue
New York, New York 10174
Attention: Andras Komaromi, Esq.

If to the Borrower: Spinney Hill Homes II L.P.
Pond Hill Road
Great Neck, New York 11020
Attention: President

With a copy to: Cannon Heyman & Weiss LLP
54 State Street, 5th Floor
Albany, New York 12207
Attention: Geoffrey Cannon, Esq.

And with a copy to: Berkman, Henoch, Patterson & Peddy, P.C.
100 Garden City Plaza
Garden City, New York 11530
Attention: Miriam Milgrom, Esq.

11.2 This Agreement will inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns and will not confer any rights upon any other person.

11.3 This Agreement may not be assigned by the Issuer or the Borrower without the prior written consent of the Purchaser. This Agreement may be assigned by the Purchaser upon written notice of such assignment from the Purchaser to the Issuer and the Borrower. The Purchaser may designate the entity in whose name the Bonds are to be registered at Closing by providing registration information to the Trustee on or prior to the Closing Date.

11.4 This Agreement may not be amended without the prior written consent of the Issuer, the Borrower and the Purchaser.

11.5 The representations, covenants and agreements of the Issuer and the Borrower will not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of (a) any investigations made by or on behalf of the Purchaser (or statements as to the results of such investigations) concerning such representations, covenants and agreements and (b) delivery of and payment for the Bonds.

11.6 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

11.7 Reserved.

11.8 This Agreement will become effective and binding upon the respective parties hereto upon the execution and delivery hereof by the parties hereto and will be valid and enforceable as of the time of such execution and delivery.

11.9 If any provision of this Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

11.10 This Agreement will be governed by and construed in accordance with the laws of the State of New York.

11.11 The obligations of the Purchaser hereunder shall be without recourse to any shareholder, trustee, officer, employee, agent or manager of the Purchaser and no shareholder, trustee, officer, employee, agent or manager of the Purchaser shall be personally liable for the payment of any obligation of the Purchaser hereunder. In the event any legal actions or proceedings are brought in respect of such obligations, any judgment against the Purchaser shall be enforced only against the assets of the Purchaser and not against any property of any trustee or manager of the Purchaser.

Section 12. Indemnification by the Borrower.

12.1 The Borrower agrees to indemnify and hold harmless the Purchaser and the Issuer and each director, officer, partner, member, agent, employee and controlling person of the Purchaser or the Issuer within the meaning of the Securities Act of 1933, as amended, from and against all reasonable losses, claims, damages, liabilities and expenses, joint or several, to which the Purchaser or the Issuer or such director, officer, partner, member, agent, employee or controlling person of the Purchaser or the Issuer may become subject under the federal securities laws or regulations or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) (1) arise out of or are based upon any untrue statement or alleged untrue statement regarding any material fact contained in the written materials delivered to the Purchaser or the Issuer by the Borrower and pertaining to the Borrower (the "Information"), or (2) arise out of or are based upon the Borrower's omission or alleged omission to state in the Information a material fact required to be stated therein or necessary to make the statements contained in the materials delivered to the Purchaser or the Issuer not misleading in light of the circumstances in which they were made, and the Borrower shall reimburse the Purchaser or the Issuer or such director, officer, partner, member, agent, employee or controlling person of the Purchaser or the Issuer for any legal or other expenses, including, but not limited to, any and all expenses reasonably incurred by the Purchaser or the Issuer in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever; provided that such expenses result from such an untrue statement or alleged untrue statement of a material fact or such an omission or alleged omission to state a material fact or such failure so to register or qualify. This indemnity agreement shall be in addition to any liability which the Borrower may otherwise have.

12.2 Promptly after receipt by an indemnified party, under this Section 12, of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 12, notify the Borrower of the commencement thereof. No indemnification provided for in this Section 12 shall be available to any party who shall fail to give notice as provided for in this Section 12.2; but the omission to so notify the Borrower shall not relieve the Borrower from any liability which they may have to any indemnified party otherwise than under this Section 12 or to the Issuer. In case any such action shall be brought against any indemnified party and it shall so notify the Borrower of the commencement thereof, the Borrower (1) shall assume the defense thereof if and as required under this Section 12, or (2) if not required to assume the defense, shall be entitled to participate therein and, to the extent that it may wish, jointly with any other defense thereof, with counsel satisfactory to such indemnified party. After notice from the Borrower to such indemnified party of its assumption of the defense thereof, the Borrower shall not be liable to such indemnified party under this Section 12 for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof.

Section 13. No Recourse; Special Obligation.

13.1 The obligations and agreements of the Issuer contained herein and in the Indenture and in the other Issuer Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, shall be deemed the special obligations and agreements of the Issuer, and not of any member, director, officer, agent (other than the Borrower) or employee of the Issuer and they shall not be liable personally hereon or thereon or be subject to any personal liability as a result of any transaction contemplated hereby or thereby.

13.2 The obligations and agreements of the Issuer contained therein shall not constitute or give rise to an obligation of the State of New York or the Nassau County, and neither the State of New York nor the Nassau County shall be liable thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Facilities (except for revenues derived by the Issuer with respect to the Issuer's Reserved Rights).

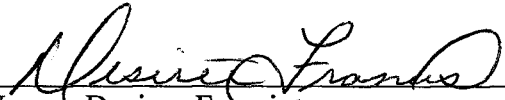
13.3 No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Trustee an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Borrower) or

employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Issuer and its members, officers, agents (other than the Borrower) and employees against any liability incurred as a result of its Regulatory with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Borrower) and employees against all liability expected to be incurred as a result of compliance with such request.

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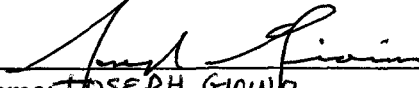
If the foregoing accurately sets forth our mutual understanding concerning the subject matter hereof, kindly indicate your acceptance by executing this Agreement and returning this executed Agreement to the undersigned effective as of the date first above written.

CAPITAL ONE, NATIONAL ASSOCIATION,
a national association

By: 
Name: Desiree Francis
Title: Senior Vice President

Accepted as of the date first above written:

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: JOSEPH GIOINO
Title: EXECUTIVE DIRECTOR

SPINNEY HILL HOMES II L.P.,
a New York limited partnership

By: Spinney Hill Homes II Housing
Development Fund Company, Inc.,
its general partner


By: 
Name: Bette Segal
Title: President

EXHIBIT A
GLOSSARY OF TERMS

“1933 Act” means the Securities Act of 1933, as amended.

“1934 Act” means the Securities Exchange Act of 1934, as amended.

“1939 Act” means the Trust Indenture Act of 1939, as amended.

“Act” means Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 83 of the Laws of 1982 of the State of New York.

“Agreement” means this Bond Purchase Agreement, as amended from time to time.

“Bonds” means \$6,700,000 in aggregate principal amount of the Nassau County Industrial Development Agency Multi-Family Housing Revenue Bonds (Spinney Hill Homes II L.P. Project), Series 2008.

“Borrower” means Spinney Hill Homes II L.P., a limited partnership duly organized, validly existing and in good standing under the laws of the State.

“Borrower Documents” means, collectively, this Agreement, the Lease Agreement, the Regulatory Agreement, the Company Lease, the Mortgage, the Environmental Indemnity, the Assignment of Contracts, the Building Loan Agreement and all other agreements, documents and certificates as may be required to be executed and delivered by the Borrower to carry out, give effect to, and consummate the transactions contemplated by this Agreement or by the other Borrower Documents.

“Building Loan Agreement” means that certain building loan agreement, dated as of December 22, 2008, by and among the Borrower, the IDA and The Bank of New York Mellon Trust Company, N.A.

“Closing” means the proceeding at which the actions described in Section 8 are performed.

“Closing Date” means December 22, 2008, the date on which the Closing takes place.

“Code” means the Internal Revenue Code of 1986, as amended, together with all corresponding and applicable final or temporary regulations and revenue rulings issued or promulgated thereunder, in each case if and to the extent applicable to the Bonds.

“Company Lease” means the Company Lease Agreement dated as of December 1, 2008 by and between the Borrower, the General Partner and the Issuer.

“Corporate Guarantor” means Whitney Capital Company, L.L.C., a Delaware limited liability company, together with its respective permitted successors and assigns, as applicable.

“Environmental Indemnity” means that certain Environmental Indemnity Agreement dated as of December 22, 2008 from the Borrower, the General Partner, the Corporate Guarantor and the North Hempstead Housing Authority for the benefit of the Purchaser.

“Guarantors” means, jointly and severally, the Corporate Guarantor and the Individual Guarantor.

“Guarantor Documents” means, collectively, the Completion Guaranty dated as of December 22, 2008 from the Guarantors for the benefit of the Purchaser, the Guaranty Agreement dated as of December 22, 2008 from the Borrower for the benefit of the Trustee, and the Environmental Indemnity.

“Indenture” means that certain Trust Indenture dated as of December 1, 2008 between the Issuer and the Trustee.

“Individual Guarantor” means D. Garry Munson, an individual resident of the State of [New York], together with his respective heirs, personal representatives, legal representatives and permitted successors and assigns.

“Issuer” means the Nassau County Industrial Development Agency, a public benefit corporation of the State of New York.

“Issuer Documents” means, collectively, the Indenture, the Lease Agreement, the Company Lease, the Regulatory Agreement, the Resolution, IRS Form 8038, and this Agreement.

“Lease Agreement” means that certain Lease Agreement dated as of December 1, 2008 between the Issuer and the Borrower.

“General Partner” means Spinney Hill Homes II Housing Development Fund Company, Inc., a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York, together with its permitted successors and assigns hereunder.

“General Partner Documents” means the Environmental Indemnity.

“Mortgage” means that certain Fee and Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated as of December 22, 2008 from the Borrower and the Issuer to the Trustee.

“Project” means that certain multifamily housing facility consisting of 34 units with related amenities and site improvements and related personal property and equipment located in Great Neck, New York.

“Purchaser” means Capital One, National Association, a national association, or its designee or nominee, together with their respective permitted successors and assigns hereunder.

“Regulatory Agreement” means that certain Tax Regulatory Agreement dated as of December 1, 2008 among the Issuer and the Borrower.

“Resolution” means the resolution adopted by the Issuer on _____, 2008 relating to the transactions contemplated by this Agreement.

“Servicing Agreement” means that certain Servicing Agreement dated as of December 22, 2008 between the Trustee and Purchaser and acknowledged by the Borrower.

“State” means the State of New York.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America or its successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Trustee Documents” means the Indenture, the Lease Agreement, the Regulatory Agreement, the Servicing Agreement, and all other agreements, documents and certificates as may be required to be executed and delivered by the Trustee to carry out, give effect to, and consummate the transactions contemplated by this Agreement and the other Trustee Documents.

“You” and similar terms refer collectively to the Issuer and the Borrower.