
TRUST INDENTURE

by and between

HUDSON YARDS INFRASTRUCTURE CORPORATION

and

U.S. BANK, NATIONAL ASSOCIATION, as Trustee

Dated as of December 1, 2006

TABLE OF CONTENTS

Page

ARTICLE I.

DEFINITIONS AND INTERPRETATION

SECTION 1.01	DEFINITIONS	3
SECTION 1.02	RULES OF CONSTRUCTION	23

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01	AUTHORIZATION OF BONDS	24
SECTION 2.02	PROVISIONS FOR ISSUANCE OF BONDS	24
SECTION 2.03	REFUNDING BONDS	26
SECTION 2.04	SUPPLEMENTAL INDENTURES	27
SECTION 2.05	PARITY REIMBURSEMENT OBLIGATIONS AND HEDGE AGREEMENT PAYMENTS	29
SECTION 2.06	ADDITIONAL OBLIGATIONS	29

ARTICLE III.

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01	PLACE AND MEDIUM OF PAYMENT	30
SECTION 3.02	LEGENDS	31
SECTION 3.03	CUSIP NUMBERS	31
SECTION 3.04	EXECUTION AND AUTHENTICATION	31
SECTION 3.05	INTERCHANGEABILITY OF BONDS	32
SECTION 3.06	TRANSFER AND REGISTRY	32
SECTION 3.07	TRANSFER OF BONDS	32
SECTION 3.08	REGULATIONS WITH RESPECT TO EXCHANGES AND TRANSFERS	32
SECTION 3.09	BONDS MUTILATED, DESTROYED, LOST OR STOLEN	33
SECTION 3.10	BOOK ENTRY BONDS	33
SECTION 3.11	PREPARATION OF DEFINITIVE BONDS; TEMPORARY BONDS	35

ARTICLE IV.

REDEMPTION OF BONDS

SECTION 4.01	AUTHORIZATION OF REDEMPTION	35
--------------	-----------------------------------	----

SECTION 4.02	REDEMPTION AT THE ELECTION OF THE CORPORATION.....	35
SECTION 4.03	REDEMPTION OTHER THAN AT CORPORATION'S ELECTION.....	36
SECTION 4.04	SELECTION OF BONDS TO BE REDEEMED	36
SECTION 4.05	NOTICE OF REDEMPTION.....	37
SECTION 4.06	PAYMENT OF REDEEMED BONDS	37

ARTICLE V.

**TRUST ESTATE; FUNDS AND ACCOUNTS; REVENUES
AND APPLICATION THEREOF**

SECTION 5.01	PLEDGE OF TRUST ESTATE.....	38
SECTION 5.02	ESTABLISHMENT OF FUNDS AND ACCOUNTS.....	38
SECTION 5.03	APPLICATION OF BOND PROCEEDS.....	39
SECTION 5.04	CONSTRUCTION FUND.....	39
SECTION 5.05	DEPOSIT OF REVENUES.....	41
SECTION 5.06	APPLICATION OF REVENUES.....	41
SECTION 5.07	DEBT SERVICE FUND.....	43
SECTION 5.08	REDEMPTION ACCOUNT.....	44
SECTION 5.09	CORPORATION EXPENSE FUND	48
SECTION 5.10	SURPLUS FUND	48
SECTION 5.11	APPLICATION OF MONEY IN CERTAIN FUNDS FOR RETIREMENT OF BONDS.....	49
SECTION 5.12	TRANSFER OF INVESTMENTS	49

ARTICLE VI.

INVESTMENT OF FUNDS

SECTION 6.01	INVESTMENT OF FUNDS AND ACCOUNTS.....	50
SECTION 6.02	LIABILITY FOR INVESTMENTS.....	51

ARTICLE VII.

PARTICULAR COVENANTS

SECTION 7.01	PAYMENT OF PRINCIPAL AND INTEREST	51
SECTION 7.02	EXTENSION OF PAYMENT OF BONDS.....	51
SECTION 7.03	POWERS AS TO BONDS AND PLEDGE	51
SECTION 7.04	FURTHER ASSURANCE.....	52
SECTION 7.05	CORPORATE EXISTENCE.....	52
SECTION 7.06	ACCOUNTS AND AUDITS.....	52
SECTION 7.07	CREATION OF LIENS	52
SECTION 7.08	NOTICE OF DEFAULT; ENFORCEMENT OF AGREEMENTS.....	53
SECTION 7.09	DEPOSIT OF CERTAIN MONEY IN THE CONSTRUCTION FUND.....	53
SECTION 7.10	OFFICES FOR PAYMENT AND REGISTRATION OF BONDS.....	53

SECTION 7.11	AMENDMENT OF AGREEMENTS	53
SECTION 7.12	AMENDMENT OF UTEP.....	55
SECTION 7.13	BUDGET OF CORPORATION EXPENSES	55
SECTION 7.14	NOTICE REGARDING INTEREST SUPPORT PAYMENTS	56
SECTION 7.15	TFA PURCHASE NOTICE.....	56
SECTION 7.16	PAYMENT OF LAWFUL CHARGES	56
SECTION 7.17	ASSIGNMENT OF PILOT AGREEMENTS.....	56
SECTION 7.18	AMORTIZATION AFTER CONVERSION DATE.....	56
SECTION 7.19	LIMITATIONS ON BONDS	58
SECTION 7.20	EXTENSION OF PILOT AGREEMENTS	59
SECTION 7.21	MTA PILOT PAYMENTS.....	59
SECTION 7.22	CITY'S FAILURE TO APPROPRIATE	59
SECTION 7.23	GENERAL	59

ARTICLE VIII.

CONCERNING THE TRUSTEE

SECTION 8.01	APPOINTMENT AND ACCEPTANCE OF TRUSTEE.....	60
SECTION 8.02	APPOINTMENT AND ACCEPTANCE OF PAYING AGENTS	60
SECTION 8.03	RESPONSIBILITIES OF TRUSTEE AND PAYING AGENTS	60
SECTION 8.04	PROPERTY HELD IN TRUST.....	61
SECTION 8.05	EVIDENCE ON WHICH FIDUCIARIES MAY ACT	61
SECTION 8.06	COMPENSATION.....	62
SECTION 8.07	PERMITTED ACTS	62
SECTION 8.08	RESIGNATION OF TRUSTEE.....	63
SECTION 8.09	REMOVAL OF TRUSTEE	63
SECTION 8.10	SUCCESSOR TRUSTEE	63
SECTION 8.11	TRANSFER OF RIGHTS AND PROPERTY	64
SECTION 8.12	MERGER OR CONSOLIDATION OF THE TRUSTEE	64

ARTICLE IX.

SUPPLEMENTAL INDENTURES

SECTION 9.01	MODIFICATION AND AMENDMENT WITHOUT CONSENT	65
SECTION 9.02	SUPPLEMENTAL INDENTURES EFFECTIVE WITH CONSENT OF BONDHOLDERS	66
SECTION 9.03	GENERAL PROVISIONS RELATING TO SUPPLEMENTAL INDENTURES	66

ARTICLE X.

AMENDMENTS OF INDENTURE

SECTION 10.01	POWERS OF AMENDMENT	67
---------------	---------------------------	----

SECTION 10.02	CONSENT OF BONDHOLDERS	67
SECTION 10.03	MODIFICATIONS BY UNANIMOUS CONSENT	68
SECTION 10.04	MAILING.....	69
SECTION 10.05	EXCLUSION OF BONDS	69
SECTION 10.06	NOTATION ON BONDS.....	69

ARTICLE XI.

DEFAULTS AND REMEDIES

SECTION 11.01	EVENTS OF DEFAULT	70
SECTION 11.02	MANDATORY REDEMPTIONS UPON PAYMENT DEFAULT	71
SECTION 11.03	ENFORCEMENT OF REMEDIES; LIMITATIONS	71
SECTION 11.04	TERMINATION OF PROCEEDINGS	72
SECTION 11.05	BONDHOLDERS' DIRECTION OF PROCEEDINGS	72
SECTION 11.06	LIMITATION OF RIGHTS OF INDIVIDUAL BONDHOLDERS.....	72
SECTION 11.07	ACTIONS BY TRUSTEE; POSSESSION OF BONDS BY TRUSTEE NOT REQUIRED.....	73
SECTION 11.08	REMEDIES NOT EXCLUSIVE	73
SECTION 11.09	WAIVER AND NON-WAIVER OF DEFAULT	73
SECTION 11.10	FUNDED BONDS EXCLUDED FROM CALCULATIONS	73
SECTION 11.11	NOTICE OF EVENT OF DEFAULT	74

ARTICLE XII.

DEFEASANCE

SECTION 12.01	DEFEASANCE.....	74
---------------	-----------------	----

ARTICLE XIII.

**EXECUTION OF INSTRUMENTS BY BOND HOLDERS AND PROOF OF OWNERSHIP
OF BONDS**

SECTION 13.01	EVIDENCE OF SIGNATURES OF BONDHOLDERS AND OWNERSHIP OF BONDS.....	77
---------------	--	----

ARTICLE XIV.

MISCELLANEOUS

SECTION 14.01	PRESERVATION AND INSPECTION OF DOCUMENTS.....	78
SECTION 14.02	MONEY AND FUNDS HELD FOR PARTICULAR BONDS	78
SECTION 14.03	CANCELLATION OF BONDS	78
SECTION 14.04	NO RECOURSE UNDER INDENTURE OR ON THE BONDS	78

SECTION 14.05	SEVERABILITY OF INVALID PROVISION	78
SECTION 14.06	PARTIES OF INTEREST.....	79
SECTION 14.07	CERTAIN PROVISIONS RELATING TO CAPITAL APPRECIATION BONDS AND DEFERRED INCOME BONDS	79
SECTION 14.08	NOTICE TO RATING SERVICES	80
SECTION 14.09	NOTICES	80
SECTION 14.10	HEADINGS.....	81
SECTION 14.11	GOVERNING LAWS.....	81
SECTION 14.12	SIGNATURES AND COUNTERPARTS	81

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of December 1, 2006, by and between HUDSON YARDS INFRASTRUCTURE CORPORATION, a local development corporation duly organized and existing under the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), and U.S. BANK, NATIONAL ASSOCIATION, as trustee, a national banking corporation (the "Trustee").

The Corporation recites and represents to the Trustee for the benefit of the Bondholders that it has authorized this Indenture.

P R E L I M I N A R Y S T A T E M E N T

This Indenture provides for the following transactions:

- (a) Issuance by the Corporation of Bonds to finance or refinance the Project Costs and to pay the Costs of Issuance incurred in connection with issuance of Bonds;
- (b) Application of proceeds of the Bonds to payment of the Project Costs; and
- (c) the assignment and pledge of the Trust Estate to the Trustee in trust for the benefit of the Bondholders, to the extent specifically specified in this Indenture.

G R A N T I N G C L A U S E

The Corporation to secure the payment of the principal and Redemption Price of and interest on the Bonds and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Indenture and has conveyed, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular, the property, real and personal, hereinafter described (such property being herein sometimes referred to as the "Trust Estate"), to wit:

- (i) All right, title and interest of the Corporation in, to and under the IDA Assignment Agreement, the DIB Assignment Agreement, the PILOT Agreements now existing and hereafter entered into, the PILOT Mortgages now existing and hereafter entered into, the MTA Agreement and the Support Agreement, including, without limitation, the present and continuing right to make claim for, collect and receive the payments thereunder and the right to bring actions and proceedings for the enforcement thereof;

(ii) All right title and interest of the Corporation in, to and under the Revenues, including, without limitation, the present and continuing right to make claim for, collect and receive the Revenues, and the right to bring actions and proceedings for the enforcement thereof;

(iii) Except as otherwise expressly provided herein, all of the Corporation's right, title and interest in money and securities on deposit with the Trustee in the Pledged Funds; *provided, however*, that the priority in which such money and securities are applied to the repayment of the Bonds shall be as expressly specified herein; and

(iv) Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred to the Trustee as and for additional security hereunder by the Corporation or by any person on behalf of the Corporation, including without limitation the money and securities of the Corporation held by the Trustee as security for the Bonds;

TO HAVE AND TO HOLD, all and singular, the properties and the rights and privileges hereby conveyed, assigned and pledged by the Corporation or intended so to be, unto the Trustee and its successors and assigns forever, in trust, nevertheless, with power of sale and for the benefit and security of each and every owner of the Bonds issued and to be issued hereunder, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond of a Priority over or from the others Bonds of such Priority, by reason of date or order of issuance or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each of such Bonds of such Priority shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby with the same effect as if the same shall have been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

SUBJECT TO, so long as no Payment Default shall have occurred and be continuing hereunder, the Reserved Rights of the Corporation.

PROVIDED, NEVERTHELESS, these presents are upon the express condition that if the Corporation or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds and each of them or shall provide for the payment of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment thereof, when and as authorized by the provisions of Section 12.01 of this Indenture, and shall also pay or cause to be paid all other sums payable hereunder by the Corporation, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Corporation and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Corporation such instruments of satisfaction or release as may be specified by the Corporation as necessary or proper to discharge this Indenture, including, if appropriate, any required discharge of record, and if necessary shall grant, reassign and deliver to the Corporation, its successors or assigns, all and singular the property, rights, privileges and interest

by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Bonds are to be issued, authenticated and delivered, and that all Revenues and any other property or amounts pledged to the payment of the Bonds are to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Corporation, for itself and its successors, does hereby covenant and agree to and with the Trustee and its respective successors in said trust as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

SECTION 1.01 Definitions. As used in this Indenture the following terms have the following meanings, unless a different meaning clearly appears from the context:

“Accreted Value” means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Indenture authorizing such Capital Appreciation Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the immediately preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

“Agreement” means each of and singularly the IDA Assignment Agreement, the DIB Assignment Agreement, each PILOT Agreement, each PILOT Mortgage, the Support Agreement, the MTA Agreement and the TFA Funding Agreement.

“Amortized Value” has the meaning given to it in Section 6.01(c) hereof.

“Appreciated Value” means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Indenture authorizing such Deferred Income Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the immediately preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of calculation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Authorized Officer” means (i) in the case of the Corporation, the Chairman, the Vice-Chairman, the President, a Vice-President, the Treasurer, an Assistant Treasurer, the Comptroller, a Deputy Comptroller, the Secretary, and an Assistant Secretary, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Corporation to perform such act or execute such document; (ii) in the case of the City, when used with reference to any act or document, means the person identified herein or in the Agreement as authorized to perform such act or execute such document, and in all other cases means the Mayor of the City, the Deputy Mayor for Administration, the Deputy Mayor for Economic Development and Rebuilding, the Director of Management and Budget or an officer or employee of the City authorized in a written instrument signed by the Mayor or by the Charter of the City or its Administrative Code to act on behalf of the Mayor; and (iii) in the case of the Trustee, a Vice President, an Assistant Vice President, an Assistant Secretary, an Assistant Treasurer or any other corporate trust officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

“Available TFA Commitment” means, as of any particular date of calculation, the principal amount of promissory notes of the Corporation available to be purchased by TFA pursuant to the TFA Funding Agreement.

“Bond” means any bond of the Corporation authorized and issued pursuant hereto and to a Supplemental Indenture, and, except as expressly limited hereby or otherwise expressly provided herein, any Hedge Agreement Payments and Parity Reimbursement Obligations of the Corporation; *provided, however*, that a Parity Reimbursement Obligation shall not be considered a Bond for purposes of Article II, Article III, Article IV, Article XI or Article XII hereof and the provisions of Article IX and Article X shall not apply to amendments of a Parity Reimbursement Obligation or of the agreement with the Provider thereof.

“Bond Counsel” means Nixon Peabody LLP or an attorney or another law firm appointed by the Corporation having a national reputation in the law of public finance and whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder,” “Holder of Bonds” or “Holder” or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

“Bond Insurance Premium Reserve” means the reserve established within the Corporation Expense Fund for the payment of premiums payable during a future Fiscal Year for one or more financial guaranty insurance policies with respect to Bonds, in an amount that, from and after the third Fiscal Year preceding the date on which any such premium is payable, is equal to the aggregate premiums payable during the next succeeding three Fiscal Years during which such premiums are payable.

“Book Entry Bond” means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository for the participants in such Depository.

“Business Day” means any day which is not a Saturday, Sunday, a day on which the Trustee, or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York, or a day that is a legal holiday for the City; *provided, however*, that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday, a day on which the Trustee, the New York Stock Exchange, banking institutions chartered by the State or the United States of America or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close in The City of New York, or a day that is a legal holiday for the City.

“Capital Appreciation Bond” means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

“Capitalized Interest Account” means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

“City” means The City of New York, a municipal corporation of the State, constituting a political subdivision thereof.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“Construction Fund” means the fund so designated, created and established pursuant to Section 5.02 hereof.

“Conversion” means as of any particular date of calculation that the Net Recurring Revenues for each of the two immediately preceding Fiscal Years, as shown on the audited financial statements for such Fiscal Years prepared in accordance with generally accepted accounting principles applicable to the Corporation, were (i) not less than one hundred twenty-five percent (125%) of Maximum Annual Debt Service on then Outstanding Senior Bonds and (ii) not less than one hundred five percent (105%) of Maximum Annual Debt Service on then Outstanding Bonds. For purposes of determining Conversion, Maximum Annual Debt Service shall be calculated assuming that the Conversion Date is the date on which the calculation is made.

“Conversion Date” means the date on which the Corporation delivers to the Trustee a certificate (i) to the effect that the Corporation has determined that the Net Recurring Revenues for each of the two immediately preceding Fiscal Years, as shown on the audited financial statements for such Fiscal Years prepared in accordance with generally accepted accounting principles applicable to the Corporation, were (A) not less than one hundred twenty-five percent (125%) of Maximum Annual Debt Service on then Outstanding Senior Bonds and (B) not less than one hundred five percent (105%) of Maximum Annual Debt Service on then Outstanding Bonds, in each case calculating Maximum Annual Debt Service assuming that the Conversion Date is the date on which the calculation is made and (ii) setting for the calculation on which such determination was made.

“Corporation” means Hudson Yards Infrastructure Corporation, a local development corporation organized and existing under the Not-For-Profit Corporation Law of the State of New York, and its successors and assigns.

"Corporation Expense Fund" means the fund so designated, created and established pursuant to Section 5.02 hereof.

"Corporation Expenses" means for any Fiscal Year the amount set forth in the Corporation's budget prepared for such Fiscal Year in accordance with Section 7.13 hereof for all other costs, fees and expenses of the Corporation of any kind arising out of or incurred in connection with maintaining its corporate existence and in furtherance of its corporate purposes, powers or duties, including, without limitation:

- (i) salaries;
- (ii) insurance premiums, including but not limited to insurance premiums on financial guaranty insurance policies issued in connection with Bonds that are due during such Fiscal Year and that were due, but not paid, during a prior Fiscal Year, and interest, if any, payable on any unpaid premiums;
- (iii) fees, charges expenses, regularly scheduled payments, indemnities and other similar charges payable to or for (a) Providers, (b) auditing, legal, financial and investment advisory and other professional and consulting services, (c) fiduciaries, paying agents, transfer agents and other agents, (d) printing, advertisements and publication or other distribution of notices;
- (iv) any and all other fees, charges and expenses required or permitted to be incurred by the Corporation or required to be paid by the Corporation;
- (v) Tax Obligations;
- (vi) Termination Payments; and
- (vii) the amount required to establish and maintain the Bond Insurance Premium Reserve at its requirement, but, in no event shall such amount in any Fiscal Year exceed the premium payable on financial guaranty insurance policies during the next succeeding Fiscal Year during which such premiums are payable;

provided, however, that Corporation Expenses do not include the principal of or interest on any indebtedness of the Corporation.

"Costs of Issuance" means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges of a Remarketing Agent or relating to a Credit Facility, a Liquidity Facility or a Hedge Agreement, and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Account" means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

“Counterparty” means any person with which the Corporation has entered into a Hedge Agreement, and such person’s successors and assigns.

“Credit Facility” means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement pursuant to which the Corporation or the Trustee is entitled to obtain money to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof whether or not the Corporation is in default hereunder, which is issued or extended by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law;

(ii) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law;

(iii) a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America;

(iv) a savings bank;

(v) a saving and loan association;

(vi) an insurance company or association chartered or organized under the laws of any state of the United States of America,

(vii) the Government National Mortgage Association or any successor thereto or the Federal National Mortgage Association or any successor thereto;

(viii) an entity affiliated with or which is a subsidiary of any entity described above or affiliated with or a subsidiary of any registered securities dealer; or

(ix) any other entity approved by the Corporation.

“Debt Service” means, when used in connection with any particular Outstanding Bonds and for any period, the principal and Sinking Fund Installments of and interest on such Bonds payable during such period, exclusive of the principal and Sinking Fund Installments of or interest on Funded Bonds; *provided, however*, that if the interest at which a Variable Interest Rate Bond will bear interest at any time during such period is not known, the Trustee shall calculate such interest based upon a rate per annum certified to it by the Corporation as the rate the Corporation has assumed such Variable Interest Rate Bond will bear.

"Debt Service Fund" means the fund so designated, created and established pursuant to Section 5.02 hereof.

"Defeasance Security" means:

(i) a Government Obligation, including the interest component of REFCORP bonds for which the separation of principal and interest is made by request of the Federal Reserve Bank of New York in book-entry form, that is not subject to redemption prior to maturity other than at the option of the holder thereof or that has been irrevocably called for redemption on a stated future date; or

(ii) an Exempt Obligation (a) that is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (b) the timely payment of the principal or redemption price thereof and interest thereon is fully secured by a fund consisting only of cash or obligations described in clause (i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (a) above, and (c) that at the time an investment therein is made rated in the highest rating category by at least two Rating Services;

provided, however, that such term shall not mean any interest in a unit investment trust or mutual fund or in "CATS," "TIGRS" or "TRS".

"Deferred Income Bond" means any Bond as to which interest accruing thereon prior to the Interest Commencement Date therefor is compounded on each Valuation Date for such Deferred Income Bond, payable at maturity or earlier redemption, and interest accruing from and after the Interest Commencement Date is payable on the Interest Payments Dates therefor.

"Depository" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Supplemental Indenture authorizing a Series of Bonds to serve as securities depository for Bonds of such Series.

"Determination of Taxability" means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Corporation shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

“**DIB Assignment Agreement**” means the DIB Assignment and Agreement, dated as of December 1, 2006, by and between the City and the Corporation, as from time to time amended or supplemented in accordance therewith and herewith.

“**DIB Payments**” means payments of contributions to the Hudson Yards District Improvement Fund established pursuant to Section 93-31 of the City’s zoning resolution, pursuant to which the Chairperson of the City Planning Commission has been authorized to make certain benefits available to the developers of certain buildings and improvements within the District, as a bonus.

“**Eligible Investments**” means:

- (i) Defeasance Securities;
- (ii) Government Obligations;
- (iii) demand and time deposits in or certificates of deposit of, or bankers’ acceptances issued by, any bank or trust company, savings and loan association or savings bank, payable on demand or on a specified date no more than three months after the date acquired as an investment hereunder, if such deposits or instruments are at the time an investment therein is made rated “A-1+” by S&P and “P-1” by Moody’s;
- (iv) Exempt Obligations that at the time an investment therein is made are rated at least in one of the two highest long term rating categories by at least two Rating Services, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation;
- (v) commercial or finance company paper (including both non-interest bearing discount obligations and interest bearing obligations) payable on demand or on a specified date not more than two hundred seventy (270) days after the date acquired as an investment hereunder that is at the time an investment therein is made rated in the highest rating category by at least two Rating Services;
- (vi) repurchase obligations with respect to any security described in clause (i) or (ii) above entered into with (a) a primary dealer, depository institution or trust company (acting as principal) that at the time an investment therein is made is rated “A-1” by S&P and “P-1” by Moody’s (if payable on demand or on a specified date no more than three months after the date acquired as an investment hereunder) or at least “Aa1” by Moody’s and in one of the two highest long term rating categories by S&P, or (b) any financial institution or corporation, any insurance company, a registered broker/dealer or domestic commercial bank, in each case whose long term debt obligations are rated “investment grade” by at least two Rating Services; *provided, however*, that (1) a specific written agreement governs the transactions, (2) the securities that are the subject of the repurchase agreement are held free and clear of any lien, by the Trustee or an independent third party acting solely as the agent of the Trustee that is (A) a Federal Reserve Bank or (B) a member of the Federal Deposit Insurance

Corporation that has combined surplus and undivided profits of not less than twenty-five million dollars (\$25,000,000), and the Trustee shall have received written confirmation from such third party that it hold such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement provides that the securities that are the subject of the repurchase agreement are required to be repurchased either on demand or within one year after their date of purchase;

(vii) securities bearing interest or sold at a discount (payable on demand or on a specified date no more than ninety (90) days after the date acquired as an investment hereunder) that are issued by any corporation incorporated under the laws of the United States of America or any state thereof and are rated "P-1" by Moody's and "A-1+" by S&P at the time of such investment or contractual commitment providing for such investment; *provided, however*, that securities issued by any such corporation will not be Eligible Investment to the extent that investment therein would cause the then outstanding principal amount of securities issued by such corporation and held as investments hereunder to exceed twenty percent (20%) of the aggregate principal amount of all Eligible Investments then held hereunder;

(viii) units of taxable money market funds which are regulated investment companies and seek to maintain a constant net asset value per share and which at the time an investment therein is made are rated at least "Aa1" by Moody's and at least "AAm" or "AAm-G" by S&P, including if so rated any such fund which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee charges and collects fees and expenses (not exceeding current income) from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to this Indenture and (c) services performed for such funds and pursuant to this Indenture may converge at any time (the Corporation specifically authorizes the Trustee or an affiliate of the Trustee to charge and collect all fees and expenses from such funds for services rendered to such funds, in addition to any fees and expenses the Trustee may charge and collect for services rendered pursuant to this Indenture);

(ix) investment agreements or guaranteed investment contracts with any financial institution or corporation, any insurance company, a registered broker/dealer or a domestic commercial bank whose senior long term debt obligations are rated, or guaranteed by a financial institution, whose senior long term debt obligations are rated, at the time such agreement or contract is entered into, at least in one of the two highest long term rating categories by at least two Rating Services, without regard to qualification of such rating by symbols such as "+" or "-" and numerical notation; *provided, however*, that in the event that such rating is suspended, withdrawn or reduced below the rating assigned to Outstanding Bonds without regard to any Credit Facility either (a) the Corporation has an option to terminate such agreement or contract or (b) such agreement or contract is required to be collateralized by securities described in

clause (i) or (ii) above or by obligations of the Government National Mortgage Association or any successor thereto; *provided, further*, that (1) a specific written agreement governs the transactions, (2) the collateral securities, if any, are held free and clear of any lien, by the Trustee or by a trustee of an independent third party acting solely as the agent of the Trustee that is (A) a Federal Reserve Bank or (B) a member of the Federal Deposit Insurance Corporation that has combined surplus and undivided profits of not less than twenty-five million dollars (\$25,000,000), and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has a term of thirty days or less, or either the Trustee, if the Trustee holds the collateral, or a custodian of the collateral or a valuation agent selected by the Corporation, will value the collateral securities no less frequently than monthly, will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within five Business Days of such valuation, and (4) the fair market value of the collateral securities in relation to the amount of the obligation, including principal and interest, is equal to at least one hundred two percent (102%); and

(x) other obligations or securities that either (i) under the applicable standards and guidelines of each Rating Service are investments in which money in a particular fund or account under the Indenture may be invested by the Corporation or (ii) as to the investment therein for any fund or account the Corporation has received Rating Confirmation.

“Exempt Obligation” means an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code.

“Fiscal Year” means a period of twelve (12) consecutive months beginning July 1st of a calendar year and ending on June 30th of the next succeeding calendar year or any other twelve month period as the Corporation may select as its fiscal year.

“Fitch” means Fitch, Inc. and its successors and assigns; *provided, however*, that references hereto to Fitch shall be effective so long as Fitch is a Rating Service.

“Funded Bond” means as of any particular date of determination a Bond for which provision for payment has not been made in accordance with Section 12.01(b) hereof and remains Outstanding, but for which:

(i) the Trustee or another banking institution then holds, in trust, either money in an amount which shall be sufficient, or Eligible Investments the principal of and interest on which when due will provide money which, together with the money, if any, so held, shall be sufficient in the judgment of a firm of certified public accountants to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest due and to become due on said

Bond on or prior to the redemption date or maturity date thereof, as the case may be; and

(ii) in case all or any portion of said Bond is to be redeemed on any date prior to its maturity, the Corporation shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV hereof notice of redemption on said date of such Bond or portion thereof;

provided, however, that such Bond shall no longer be a Funded Bond if at any time the money and Eligible Investments are no longer sufficient to meet the aforesaid requirements.

“Government Obligation” means:

(i) a direct obligation of, or an obligation the timely payment of the principal of and interest on which is guaranteed by, the United States of America, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Farm Credit System; and

(ii) an obligation of the United States of America which has been stripped by the United States Department of the Treasury itself or by any Federal Reserve Bank (not including “CATS,” “TIGRS” and “TRS” unless the Corporation obtains Rating Confirmation with respect thereto).

“Hedge Agreement” means any financial arrangement entered into by the Corporation with another person that (i) is executed in connection with Senior Bonds and is an Interest Rate Exchange Agreement, an interest rate cap or collar or other exchange or rate protection transaction, or (ii) is an agreement for the forward purchase of securities for the investment of money of the Corporation in any fund or account established hereby.

“Hedge Agreement Payment” means any periodic or regularly scheduled payment required to be made by the Corporation pursuant to a Hedge Agreement, but does not include a Termination Payment.

“HYDC” means Hudson Yards Development Corporation, a local development corporation created and existing pursuant to the Not-For-Profit Corporation Law of the State of New York, and its successors and assigns.

“HYDC Expense Account” means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

“IDA Assignment Agreement” means the PILOT Assignment and Agreement, dated as of December 1, 2006, by and among the City, NYC IDA and the Corporation, as from time to time amended or supplemented in accordance therewith and herewith.

“Indenture” means this Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms and provisions hereof.

“Initial Bonds” means the Bonds of the first Series authorized and issued under this Indenture.

“Interest Commencement Date” means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof after which interest accruing thereon shall be payable on each Interest Payment Date succeeding such Interest Commencement Date.

“Interest Deficiency Notice” shall have the meaning given to such term in the Support Agreement.

“Interest Payment Date” means, when used in connection with any particular Senior Bond or Subordinate Bond, each date on which interest thereon is payable in accordance with the terms thereof.

“Interest Rate Exchange Agreement” means an agreement entered into by the Corporation in connection with the issuance of or which relates to any Bonds which provides that during the term of such agreement the Corporation is to pay to the Counterparty an amount based on the interest accruing at a fixed or variable rate per annum on a notional amount equal to the principal amount of such Bonds and that the Counterparty is to pay to the Corporation an amount based on the interest accruing on such notional amount at a fixed or variable rate, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement.

“Interest Support Payments” means the payments required to be made by the City pursuant to Section 4.02 of the Support Agreement.

“Liquidity Facility” means a letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms hereof and of the Supplemental Indenture authorizing such Bonds, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law;
- (ii) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law;
- (iii) a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America;
- (iv) a savings bank;
- (v) a saving and loan association;

(vi) an insurance company or association chartered or organized under the laws of any state of the United States of America,

(vii) the Government National Mortgage Association or any successor thereto or the Federal National Mortgage Association or any successor thereto;

(viii) an entity affiliated with or which is a subsidiary of any entity described above or affiliated with or a subsidiary of any registered securities dealer; or

(ix) any other entity approved by the Corporation.

“Maximum Annual Debt Service” means, as of any particular date of calculation and with respect to any Outstanding Senior Bonds or Subordinate Bonds of a Priority, an amount equal to the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service on such Senior Bonds or Subordinate Bonds payable during such Fiscal Year; *provided, however,* that for purposes of this definition:

(i) in determining whether there is a Conversion and in making the calculation required by Section 2.03(c) hereof in connection with the issuance of Refunding Bonds prior to Conversion having occurred, the principal amount of Bonds issued prior to the Conversion Date will be considered to amortize as required by Section 7.18 hereof assuming that the Conversion Date is the date on which such determination or calculation is made;

(ii) the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or through a mandatory Sinking Fund Installment shall be included in the calculations of interest and principal payable during the Fiscal Year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due;

(iii) the principal of an Option Bond Outstanding during any Fiscal Year shall be included only in the years and in the respective principal amounts due on the dates on which Sinking Fund Installments are due and on the stated maturity date thereof;

(iv) it shall be assumed that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate to its maturity, bears interest during any Fiscal Year at the lesser of:

(1) a fixed rate of interest equal to that rate, as determined by an Authorized Officer of the Corporation, on a Business Day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, that such Variable Interest Rate Bond would have had to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond; and

(2) if the Corporation has in connection with such Variable Interest Rate Bond entered into (A) an Interest Rate Exchange Agreement which provides that the Corporation is to pay to another person an amount determined based upon a fixed rate of interest on the Outstanding principal amount of the Variable Interest Rate Bonds to which such agreement relates and the Counterparty pays with respect to a like principal amount a variable rate expected to be reasonably equivalent to the variable rate of interest on such Bonds, or (B) an Hedge Agreement in the nature of an interest rate cap or collar, then either the interest fixed rate set forth in or determined in accordance with such Interest Rate Exchange Agreement or the maximum rate set forth in such Hedge Agreement, as applicable; and

(v) the principal and Sinking Fund Installments of and interest on Funded Bonds shall be excluded from such calculation.

“Maximum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, established as the maximum rate at which such Variable Interest Rate Bond may bear interest at any time.

“Minimum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, established as the minimum rate at which such Variable Interest Rate Bond may bear interest at any time.

“Moody’s” means Moody’s Investors Service and its successors and assigns; *provided, however*, that references herein to Moody’s shall be effective so long as Moody’s is a Rating Service.

“MTA” means any of the Metropolitan Transportation Authority, the Triborough Bridge and Tunnel Authority and the Long Island Rail Road Company, and any of their successors or assigns.

“MTA Agreement” means the Rail Yards Agreement, dated as of September 28, 2006, among Metropolitan Transportation Authority, Triborough Bridge and Tunnel Authority, The Long Island Rail Road Company and the City.

“Net Recurring Revenues” means, as of any particular date of calculation and (i) when used in connection with any prior Fiscal Year, the amount of PILOT Payments and Tax Equivalency Payments paid during such prior Fiscal Year, *less* the lesser of the Operating Cap and the actual Corporation Expenses for such Fiscal Year, and (ii) when used in connection with any then current or future Fiscal Year, the Projected Recurring Revenues for such Fiscal Year *less* the Operating Cap for such Fiscal Year, assuming there are not Tax Obligations payable during such Fiscal Year.

“New Development” means the construction of a building or other improvement within the Project Area for residential, commercial or other use or uses, or the “Substantial Rehabilitation,” as such term is defined in the Support Agreement, of an existing building or improvement within the Project Area, in each case evidenced by the issuance of a temporary or permanent certificate of occupancy on or after January 19, 2005.

“**NYC IDA**” means New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, and its successors and assigns.

“**Operating Cap**” means the sum of (i) during the Fiscal Year ending June 30, 2007, one million dollars (\$1,000,000) and, during each Fiscal Year thereafter, an amount equal to one hundred three percent (103%) of the Operating Cap for the prior Fiscal Year, *plus* Tax Obligations the Corporation estimates to be payable during such Fiscal Year or to be reserved for estimated payments to be payable in subsequent fiscal years.

“**Opinion of Bond Counsel**” means, when used in reference to any act, an opinion to the effect that such act is authorized or permitted by this Indenture and will not adversely affect the exclusion of interest on any Tax Exempt Bond from the gross income of the Holder thereof for purposes of federal income taxation.

“**Option Bond**” means any Senior Bond or Subordinate Bond which by its terms may be tendered by and at the option of the owner thereof for purchase or redemption by the Corporation prior to the stated maturity thereof, or the maturity of which may be extended by and at the option of the owner thereof.

“**Outstanding**”, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered hereunder and under any applicable Supplemental Indenture and all Parity Reimbursement Obligations except:

- (i) any Bond cancelled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with Section 12.01 hereof;
- (iii) any Bond paid pursuant to Section 3.09 hereof or any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III, Section 4.06 or Section 10.07 hereof;
- (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Supplemental Indenture authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided herein and in the Supplemental Indenture authorizing such Bonds; and
- (v) Parity Reimbursement Obligations arising out of a Credit Facility if and to the extent that such Parity Reimbursement Obligations are evidenced by Bonds to which the Credit Facility relates and such Bonds are registered in the name of the Provider thereof or its nominee.

“**Parity Reimbursement Obligation**” means an obligation of the Corporation to pay or reimburse the Provider of a Credit Facility or Liquidity Facility for amounts paid thereunder, including interest thereon, whether or not such obligation is evidenced by a note,

bond or similar instrument, but which is secured by a security interest in, pledge of and lien on the Trust Estate on a parity with the lien created hereby for the payment of the Bonds of the Priority to which such Credit Facility or Liquidity Facility relates.

“Paying Agent” means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions hereof or of a Supplemental Indenture or any other Indenture of the Corporation adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Payment Default” means, as of any particular date of determination and so long as any Senior Bonds are Outstanding, an event of default described in clause (a) of Section 11.01 of this Indenture, and, if no Senior Bonds are Outstanding, an event of default described in clause (b) of Section 11.01 of this Indenture.

“PILOMRT Payments” means payments in lieu of any mortgage recording taxes (i) made pursuant to a PILOT Agreement, (ii) made to the Corporation pursuant to the MTA Agreement or (iii) made to the Corporation on or after the date of issuance of the Initial Bonds in connection with New Developments in the Project Area by any of (A) the New York State Urban Development Corporation doing business as the Empire State Development Corporation, or any of its subsidiaries, and (B) the Port Authority of New York and New Jersey.

“PILOT Agreement” means, each and singularly, an agreement entered into on or after January 1, 2006 (i) by and between the NYC IDA and another party pursuant to Section 858(15) of the General Municipal Law, pursuant to which, *inter alia*, such person agrees to make payments to the NYC IDA in lieu of the payment of *ad valorem* real property taxes to the City in connection with property located in the Project Area, (ii) by and between the MTA and another person pursuant to which, *inter alia*, such person agrees to make payments in lieu of the payment of *ad valorem* real property taxes to the MTA or the City in connection with property located in the Project Area, which payments are payable to the Corporation pursuant to the MTA Agreement, and (iii) by and between New York State Urban Development Corporation, doing business as the Empire State Development Corporation, The Port Authority of the States of New York and New Jersey or any other governmental entity, or any of their subsidiaries, and another person pursuant to which, *inter alia*, such person agrees to make payments in lieu of the payment of *ad valorem* real property taxes to the governmental party thereto or the City in connection with property located in the Project Area, which payments are payable to the Corporation.

“PILOT Payments” means payments in lieu of *ad valorem* real property taxes made pursuant to a PILOT Agreement.

“Pledged Funds” means the Revenue Fund, the Construction Fund, the Debt Service Fund and the Surplus Fund, each and every account and subaccount in any such fund, and any fund or account established pursuant to a Supplemental Indenture therein designated as a Pledged Fund.

“Priority” means, when used in connection with any Bond, the relative rank or right of payment of such Bond out of the Revenues and the Trust Estate as shall be set forth in the

Supplemental Indenture authorizing such Bond; *provided, however*, that a Senior Bond shall rank and have a right of payment equal with all other Senior Bonds and no Bond shall rank or have a right of payment that is equal or prior to the Senior Bonds.

“Project” means, collectively, the Public Amenities and the Subway Extension, as more particularly described in Exhibit B annexed hereto, and the acquisition of an interest in the TDRs.

“Project Account” means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

“Project Area” means the geographic area within the City in the Borough of Manhattan referred to as the “Hudson Yards Financing District” in Resolution Number 547 of 2006 of the City’s City Council.

“Project Cost Requisition” means a requisition signed by an Authorized Officer of the Corporation and an appropriate officer of HYDC, substantially in the form annexed hereto as Exhibit A, stating with respect to each payment to be made to any person, (i) the names of the payees, (ii) the purpose for which payment is to be made in terms sufficient for identification, (iii) the respective amount of each such payment and (iv) that such purpose constitutes a proper purpose for which money in the Construction Fund may be applied and has not been the basis of any previous withdrawal from the Construction Fund.

“Project Costs” means costs and expenses or the refinancing of costs and expenses incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and material men, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the City, HYDC or the Corporation shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse any person for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project, (viii) costs and expenses of HYDC, including but not limited to, in connection with the performance of its duties under the Support Agreement and its activities to facilitate other development of the Project Area, and (xi) fees, expenses and liabilities of the Corporation incurred in connection with the Project, including but not limited to litigation expenses, judgments, settlements and compromises, and in connection with any other agreement of the City, HYDC or the Corporation ancillary to the Project.

“Projected Recurring Revenues” means, as of any particular date of calculation and for any Fiscal Year (i) the lower of (A) the stated PILOT Payments scheduled to be paid under each PILOT Agreement during such Fiscal Year and (B) the *ad valorem* real property taxes for the property subject to a PILOT Agreement that would have been payable during the Fiscal Year immediately preceding the Fiscal Year of calculation but for the PILOT Agreement, *plus* (ii) the Tax Equivalency Payments paid by the City during the Fiscal Year immediately preceding the date of calculation.

“Provider” means the provider or issuer of a Credit Facility or a Liquidity Facility, and its successors and assigns.

“Provider Payments” means the amount, certified by a Provider to the Trustee, as payable to such Provider on account of amounts advanced by it under a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

“Public Amenities” means the work or improvement so designated and more particularly defined in Exhibit B annexed hereto.

“Rating Confirmation” means the written confirmation of each Rating Service to the effect that the rating assigned, without regard to any Credit Facility, to each of the Bonds rated by such Rating Service will remain unchanged and will not be withdrawn, suspended or reduced as a consequence of some act or occurrence.

“Rating Service” means as of any particular date of determination each of Fitch, Moody’s and S&P, or their respective successors, which then has a rating on Outstanding Bonds assigned at the request of the Corporation.

“Record Date” means, when used in relation to the Bonds of a Series, the date specified as the record date for such Bonds in the Supplemental Indenture authorizing such Bonds.

“Redemption Account” means the account within the Debt Service Fund so designated, created and established pursuant to Section 5.02 hereof.

“Redemption Price” when used with respect to a Bond means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant hereto or to the applicable Supplemental Indenture.

“Refunding Bond” means any Bond issued pursuant to Section 2.03 hereof to pay or provide for the payment of Bonds.

“Remarketing Agent” means the person appointed by or pursuant to a Supplemental Indenture authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Supplemental Indenture.

“Remarketing Agreement” means, with respect to Option Bonds of a Series, an agreement between the Corporation and the Remarketing Agent relating to the remarketing of such Bonds.

“Reserved Rights” means, when used with respect to any Agreement to which the Corporation is a party or that has been assigned to it that is a part of the Trust Estate, any right or privilege thereunder to give notices, consents or approvals, to agree to amendments, modifications or supplements thereto, to enforce the obligations of any other party thereto, and any agreement by another party thereto to indemnify the Corporation or to hold it harmless, but in all such cases subject to the limitations or conditions expressly imposed thereon by the Indenture.

“Revenue Fund” means the fund so designated, created and established pursuant to Section 5.02 hereof.

“Revenues” means, when used in connection with any Fiscal Year, all amounts received by the Corporation during such Fiscal Year from (i) PILOT Payments, (ii) PILOMRT Payments, (iii) Tax Equivalency Payments, (iv) DIB Payments, (v) Interest Support Payments, (vi) the sale or other transfer of the TDRs or the air rights or development rights appurtenant to other real property located within the Project Area, in each case after deduction therefrom of the costs incurred in connection with such sale or transfer and any amounts required to be applied as a consequence of such sale or transfer to the purchase, redemption or defeasance of Bonds in order to maintain the tax-exempt status of interest on any Tax Exempt Bonds, (vii) rentals, if any, paid to the Corporation, (viii) Termination Payments received by the Corporation, and (ix) proceeds of (A) any foreclosure sale, (B) exercise of an owners right of redemption or (C) any other sale or disposition by the Corporation, in each case, of property subject to a PILOT Mortgage or that has been acquired by the Corporation upon or in lieu of the foreclosure of such PILOT Mortgage.

“S&P” means Standard & Poor’s Rating Services and its successors and assigns; *provided, however,* that references herein to S&P shall be effective so long as S&P is a Rating Service.

“Senior Bond” means any Bond so designed in the Supplemental Indenture authorizing issuance of such Bond, which, whether or not so stated in the Supplemental Indenture authorizing such Senior Bond, shall be of equal Priority with all other Senior Bonds and shall have a Priority over all Subordinate Bonds.

“Senior Bond Account” means the account within the Debt Service Fund so designated, created and established pursuant to Section 5.02 hereof.

“Serial Bond” means any Bond so designated in the Supplemental Indenture authorizing issuance of such Bond.

“Series” means all of the Bonds authenticated and delivered on original issuance and pursuant hereto and to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Sinking Fund Installment" means, as of any date of calculation, the amount of money required to be paid on a single future date for the retirement of a Term Bond that matures after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of such Term Bond.

"Standby Purchase Agreement" means an agreement by and between the Corporation and another person, pursuant to which such person is obligated to purchase an Option Bond tendered for purchase and not remarketed to another purchaser.

"Subordinate Bond" means any Bond so designated in the Supplemental Indenture authorizing issuance of such Bond.

"Subordinate Bond Account" means the account within the Debt Service Fund so designated, created and established pursuant to Section 5.02 hereof.

"Substantial Completion" means, (i) when used in connection with the Subway Extension or the Public Amenities, as more particularly described in Exhibit B annexed hereto, that HYDC has certified to the Corporation and the City that all of the following shall have occurred:

(a) copies of all temporary or permanent certificates of occupancy required in connection therewith, if any, have been delivered to HYDC;

(b) all work required by the plans and specification and construction documents, including but not limited to required commissioning, has been completed, except for minor or insubstantial details of construction, decoration, mechanical adjustment (including without limitation testing of mechanical systems and associated commissioning work) or installation; *provided, however*, that, with respect to mechanical systems,, an item is minor or insubstantial if it does not interfere with the ability of such system to meet the performance criteria set forth in the construction documents; and

(c) any work remaining to be done shall be of a nature as will not materially interfere with the normal use and occupancy for its intended purpose; and

(ii) when used in connection with the TDRs, that the Corporation has fully paid the purchase price therefore as certified to the Trustee by the Corporation; and

(iii) when used in connection with the Project, that the Corporation has received the foregoing certifications with respect to the Subway Extension and the Public Amenities and has certified the Substantial Completion of the TDRs.

"Subway Extension" means the work or improvements so designated and more particularly described in Exhibit B annexed hereto.

"Supplemental Indenture" means any Indenture of the Corporation amending or supplementing the Indenture or any prior Supplemental Indenture executed and becoming effective in accordance with the terms and provisions of Article IX hereof.

"Support Agreement" means the Hudson Yards Support and Development Agreement, dated as of December 1, 2006, by and among the City, HYDC and the Corporation, as from time to time amended and supplemented in accordance therewith and herewith.

"Supported Bonds" means Bonds that, pursuant to the Support Agreement, the City is obligated to make Interest Support Payments in connection with the interest payable thereon, which shall include (i) the Outstanding Senior Bonds issued prior to the Conversion Date and (ii) the Outstanding Senior Bonds issued after the Conversion Date and the Outstanding Subordinate Bonds whenever issued designated as Supported Bonds in the Supplemental Indenture authorizing the issuance of such Senior Bonds or Subordinate Bonds.

"Tax Equivalency Payments" means the payments required to be made by the City pursuant to Section 4.01 of the Support Agreement.

"Tax Exempt Bond" means any Bond as to which Bond Counsel has rendered an opinion to the effect that interest on it is excluded from gross income for purposes of federal income taxation.

"Tax Obligations" means for any Fiscal Year the amount required by the Code to be paid by the Corporation during such Fiscal Year to the United States of America as rebate payments, yield reduction payments, penalties and interest.

"Term Bond" means a Bond so designated and payable from Sinking Fund Installments.

"Termination Payment" means any payment required to be made upon and solely as a consequence of the termination of a Hedge Agreement.

"TDRs" means the transferable development rights appurtenant to the property within the Project Area designated as the "Eastern Rail Yards," as defined in the MTA Agreement, in which the Corporation is to purchase an interest pursuant to the MTA Agreement.

"TFA" means New York City Transitional Finance Authority, a public benefit corporation of the State of New York, and its successors and assigns.

"TFA Funding Agreement" means an agreement by and between the Corporation and the TFA to be entered after the date hereof substantially in the form annexed hereto as Exhibit C, as from time to time amended and supplemented in accordance therewith and herewith.

"TFA Proceeds" means the proceeds of the Corporation's promissory notes purchased by TFA pursuant to the TFA Funding Agreement.

"TFA Proceeds Account" means the account within the Debt Service Fund so designated, created and established pursuant to Section 5.02 hereof.

"TFA Supported Bonds" means any Subordinate Bond so designated in the Supplemental Indenture authorizing issuance of such Subordinate Bond.

"Trust Estate" has the meaning given to such term in the granting clause of this Indenture.

"Trustee" means U.S. Bank, National Association appointed as Trustee for the Bonds pursuant to Section 8.01 hereof and having the duties, responsibilities and rights provided for herein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

"UTEP-Hudson Yards" has the meaning given to such term in the IDA Assignment Agreement.

"Valuation Date" means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Supplemental Indenture authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date set forth in the Supplemental Indenture authorizing such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

"Variable Interest Rate" means the rate or rates of interest to be borne by a Senior Bond or Subordinate Bond which is or may be varied from time to time in accordance with the method of determining such interest rate or rates established for such Bond; *provided, however*, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Supplemental Indenture.

"Variable Interest Rate Bond" means any Senior Bond or Subordinate Bond that bears a Variable Interest Rate; *provided, however*, that from and after the date on which the interest rate on such Senior Bond or Subordinate Bond shall have been fixed for the remainder of the term thereof, such Senior Bond or Subordinate Bond shall no longer be a Variable Interest Rate Bond.

SECTION 1.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in the Indenture, refer to the Indenture.

ARTICLE II.
AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01 Authorization of Bonds. There are hereby authorized to be issued Bonds of the Corporation to be designated as "Hudson Yards Revenue Bonds" and there is hereby created a continuing pledge and lien as provided hereby to secure the payment of the principal and Redemption Price of and interest on all Outstanding Bonds. The Bonds shall be special obligations of the Corporation payable solely from the Trust Estate in the manner more particularly provided herein. The aggregate principal amount of Bonds which may be executed, authenticated and delivered is not limited except as provided hereby.

The Bonds may, if and when authorized by the Corporation pursuant hereto and to one or more Supplemental Indentures, be issued in one or more Series and the Bonds of each Series shall contain an appropriate Series designation which shall identify such Bonds as "Senior Bonds" or "Subordinate Bonds" of the Corporation.

Nothing contained herein shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Bonds of any two or more separate Series authorized pursuant hereto and to any such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 2.03 and 2.04 hereof into a single Series of Bonds for purposes of sale and issuance; *provided, however*, that each of the tests, conditions and other requirements contained in Sections 2.02 and 2.03 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this Section or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series of Bonds for all purposes hereof.

SECTION 2.02 Provisions for Issuance of Bonds. The issuance of Bonds shall be authorized by a Supplemental Indenture or Supplemental Indentures. The Bonds of a Series authorized to be issued shall be executed by the Corporation and delivered to the Trustee. Such Bonds shall from time to time and in such amounts as directed by the Corporation be authenticated by the Trustee and by it delivered to or upon the order of the Corporation upon receipt of the consideration therefor and upon delivery to the Trustee of:

(a) A copy of the Indenture and the Supplemental Indenture authorizing such Bonds, certified by an Authorized Officer of the Corporation;

(b) A copy of each of the IDA Assignment Agreement, the DIB Assignment Agreement, each PILOT Agreement and PILOT Mortgage theretofore assigned to the Corporation, the Support Agreement, and the MTA Agreement, in each case certified by an Authorized Officer of the Corporation;

(c) If a Credit Facility or Liquidity Facility is to be provided in connection with the issuance of the Bonds of such Series, such Credit Facility or Liquidity Facility;

(d) Except in the case of Senior Bonds that are Refunding Bonds issued pursuant to Section 2.03 hereof, if such Bonds are Senior Bonds to be

issued prior to the Conversion Date, a certificate of an Authorized Officer of the Corporation to the effect that the principal amount of all Senior Bonds issued pursuant to this Section 2.02, after giving effect to issuance of the Senior Bonds then to be issued, does not exceed three billion five hundred million dollars (\$3,500,000,000);

(e) If such Bonds are Supported Bonds, a certificate of an Authorized officer of the Corporation to the effect that the issuance thereof complies with the provisions of Section 7.19(c) hereof;

(f) If such Bonds are TFA Supported Bonds, a copy of the TFA Funding Agreement certified by an Authorized Officer of the Corporation and a certificate of an Authorized Officer of the Corporation to the effect that, after giving effect to issuance of such Bonds, the principal amount of all Outstanding TFA Supported Bonds does not exceed the Available TFA Commitment;

(g) Except in the case of Refunding Bonds issued pursuant to Section 2.03 hereof and Bonds issued pursuant to this Section 2.02 prior to the Conversion Date, a certificate of an Authorized Officer of the Corporation (i) setting forth (A) the Net Recurring Revenues for the immediately preceding Fiscal Year for which audited financial statements of the Corporation are available, (B) the Debt Service paid during such Fiscal Year on Senior Bonds and (C) the Debt Service paid during such Fiscal Year on all Bonds, and (ii) a statement to the effect that the amount set forth in (A) is at least (x) equal to one hundred twenty-five percent (125%) of the amount set forth in (B) and (y) equal to one hundred five percent (105%) of the amount set forth in (C);

(h) Except in the case of Refunding Bonds issued pursuant to Section 2.03 hereof and Bonds issued pursuant to this Section 2.02 prior to the Conversion Date, a certificate of an Authorized Officer of the Corporation (i) setting forth (A) the Net Recurring Revenues for the Fiscal Year during which such Bonds are issued and for each succeeding Fiscal Year during which Bonds will be Outstanding after giving effect to the issuance of such Bonds, (B) the Maximum Annual Debt Service calculated only with respect to Senior Bonds after giving effect to the issuance of the Senior Bond then to be issued, and (C) the Maximum Annual Debt Service calculated only with respect to all Outstanding Bonds after giving effect to the issuance of the Subordinate Bonds then to be issued, and (ii) a statement to the effect that the amount set forth in (A) for each Fiscal Year is at least (x) equal to one hundred twenty-five percent (125%) of the amount set forth in (B) and (y) equal to one hundred five percent (105%) of the amount set forth in (C);

(i) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation, describing the Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(j) A certificate of an Authorized Officer of the Corporation to the effect that (1) the Corporation is not, and, as a result of the issuance of such Bonds, shall not be, in default in the performance of any of the covenants, conditions, agreements or provisions contained herein; *provided, however*, that such certificate shall not be required if after issuance thereof the Corporation shall no longer be in default in the performance of any of the covenants, conditions, agreements or provisions contained herein; and (2) no default under any Agreement to which it is a party has occurred and will be continuing;

(k) A certificate of an Authorized Officer of the City to the effect that it is not in default under any Agreement to which it is a party;

(l) A certificate of an officer of the NYC IDA to the effect that it is not in default under the IDA Assignment Agreement; and

(m) An opinion of Bond Counsel to the effect that, in the opinion of Bond Counsel, the Indenture and the applicable Supplemental Indenture authorizing the Series of Bonds have been duly and lawfully authorized, executed and delivered by the Corporation; that the Indenture and the applicable Supplemental Indenture are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms; that the Indenture creates the valid pledge and the valid lien upon the Revenues which it purports to create, subject only to the provisions of the Indenture permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Indenture and each applicable Supplemental Indenture; and that the Corporation is duly authorized and entitled to issue such Series of Bonds and, upon the execution and delivery thereof and upon authentication by the Trustee, such Series of Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Corporation entitled to the benefits of the Indenture; *provided, however*, that such opinion may be qualified to the extent that enforceability of rights and remedies may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

SECTION 2.03 Refunding Bonds. All or any part of one of more Series of Refunding Bonds may be authenticated and delivered upon original issuance to pay or to provide for the payment of any or all Outstanding Bonds, including interest thereon. Nothing in this Section 2.03 shall be deemed to prohibit the issuance of Bonds under this Indenture pursuant to Section 2.02 hereof for the purpose of paying or providing for the payment of any Bonds or other indebtedness of the Corporation whether or not evidenced by a note, bond or other evidence of indebtedness.

A Series of Refunding Bonds may be authenticated and delivered pursuant to this Section 2.03 only upon receipt by the Trustee of the documents required by Section 2.02 hereof and of:

(a) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all Bonds to be refunded that are to be redeemed prior to their respective maturity dates on the redemption date specified in such instructions;

(b) Either (i) money in an amount sufficient to effect payment of the principal or Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to their respective maturity or redemption dates, which money shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of Section 12.01(b) hereof, and money required pursuant to said Section 12.01(b), which Defeasance Obligations and money shall be held in trust and used only as provided in said Section 12.01(b); and

(c) A certificate of an Authorized Officer of the Corporation, together with supporting schedules, to the effect that the Maximum Annual Debt Service on the Refunding Bonds does not exceed the Maximum Annual Debt Service on the Bonds to be refunded.

For purposes of the calculation required by clause (c) of this Section 2.03 prior to Conversion having occurred, it shall be assumed that the Conversion Date is the date on which such calculation is made.

SECTION 2.04 Supplemental Indentures. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the following:

(a) The authorized principal amount of such Series of Bonds;

(b) The Bonds of such Series that are Senior Bonds and Subordinate Bonds, and, in the case of Subordinate Bonds, the relative Priority of such Bonds;

(c) The purpose or purposes for which such Series of Bonds is being issued, which shall be limited to (i) funding the Project Account for payment of the Project Costs, (ii) payment of the Costs of Issuance of such Series of Bonds, (iii) payment of interest on Bonds payable prior to and for a reasonable period after Substantial Completion of each component of the Project, (iv) funding or refunding of Bonds or other notes, bonds or other indebtedness of the Corporation, which may include interest thereon and (v) any other corporate purpose of the Corporation;

(d) The date or dates, the maturity date or dates and principal amounts of each maturity of the Bonds of such Series, the amount and date of each Sinking Fund Installment, if any, and which Bonds of such Series are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Bonds of such Series;

(e) Except in the case of Capital Appreciation Bonds and Deferred Income Bonds prior to the Interest Commencement Date, the interest rate or rates, if any, of the Bonds of such Series or the manner of determining such rate or rates, the date from which interest on the Bonds of such Series shall accrue, the first date on which interest on the Bonds of such Series shall be payable and the date or dates on which the rate at which Variable Interest Rate Bonds of such Series bear interest shall be adjusted and the date or dates on which interest on such Variable Interest Rate Bonds shall be paid, or the manner of determining the same and the manner in which interest is to be paid on such Variable Interest Rate Bonds;

(f) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(g) If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Bonds, the Valuation Date or Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

(h) The Maximum Interest Rate or Rates, if any, in connection with any Variable Interest Rate Bonds or Option Bonds of such Series; *provided, however,* that a Maximum Interest Rate or Rates shall be established for all Subordinate Bonds that are also Supported Bonds;

(i) If Bonds of such Series are Option Bonds, provisions regarding the tender for purchase or redemption thereof, payment of the purchase or Redemption Price thereof and the appointment of a Remarketing Agent with respect thereto;

(j) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series;

(k) The Paying Agent or Paying Agents for such Bonds and, subject to the provisions of Section 3.01 hereof, the place or places of payment of the principal or Redemption Price of and interest on the Bonds of such Series; *provided, however,* that such Paying Agent or Paying Agents may be appointed in accordance with the provisions of Section 8.02 hereof prior to authentication and delivery of such Series of Bonds;

(l) The Redemption Price or Redemption Prices, if any, and, subject to Article IV hereof, the redemption terms, if any, for the Bonds of such Series;

(m) Provisions for the sale or exchange of the Bonds of such Series and for the delivery thereof;

(n) The form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon, and whether any Bonds of such Series are to be issued as Book Entry Bonds and the Depository therefor; and

(o) Directions for the application of the proceeds of the Bonds of such Series.

Any other provisions deemed advisable by an Authorized Officer of the Corporation, not in conflict with the provisions hereof or of any Supplemental Indenture.

SECTION 2.05 Parity Reimbursement Obligations and Hedge Agreement Payments. (a) In connection with a Series of Bonds, the Corporation may obtain or cause to be obtained one or more Credit Facilities, Liquidity Facilities or Hedge Agreements. In connection therewith the Corporation may enter into such agreements with the Provider of such Credit Facility or Liquidity Facility or the Counterparty to a Hedge Agreement providing for, *inter alia*: (i) the payment of fees and expenses to such Provider or Counterparty; (ii) the terms and conditions of such Credit Facility, Liquidity Facility or Hedge Agreement, (iii) the Series of Bonds to which it relates; and (iv) the security, if any, for the Corporation's obligations thereunder.

The Corporation may in an agreement with the Provider of such Credit Facility or Liquidity Facility or the Counterparty to a Hedge Agreement agree to directly reimburse the Provider for amounts paid by it pursuant to the Credit Facility or Liquidity Facility, together with interest thereon, or to make Hedge Agreement Payments to the Counterparty (collectively, the "**Reimbursement Obligation**"); *provided, however*, that no Reimbursement Obligation under a Credit Facility or Liquidity Facility shall be created, for purposes of this Indenture, until amounts are paid under the Credit Facility or Liquidity Facility. Any obligation to reimburse the provider of a Credit Facility or Liquidity Facility or to make Hedge Agreement Payments may be a Parity Reimbursement Obligation secured by a pledge of and a lien on the Trust Estate on a parity with the lien created hereby for the Bonds of the Priority to which they relate, *except* that, in the case of a Hedge Agreement, only the obligation to make Hedge Agreement Payments, but not Termination Payments, may be secured by a lien on the Trust Estate that is on a parity with the lien created hereby. A Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility, Liquidity Facility or Hedge Agreement which gave rise to such Parity Reimbursement Obligation relates.

SECTION 2.06 Additional Obligations. The Corporation reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate indentures or agreements of the Corporation, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided herein, entitled to a charge, lien or right prior or equal to the charge or lien created hereby.

ARTICLE III.
GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01 Place and Medium of Payment. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; *provided, however,* that the Bonds of a Series or of any maturity within a Series may be payable in any coin or currency of any other nation as may be authorized by the Supplemental Indenture authorizing the issuance of such Bonds. Except as otherwise provided in Section 4.06 hereof, upon presentation and surrender of Bonds, the principal or Redemption Price of such Bonds shall be payable at the principal corporate trust office of the Trustee. Interest on the Bonds shall be paid by check mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Corporation or, if authorized by the Supplemental Indenture authorizing a Series of Bonds, by wire transfer to such registered owner of the Bonds of such Series. For purposes of this Section, interest is payable to the registered owner of a Bond at the close of business on the Record Date for such Bond. All payments of principal or Redemption Price of or interest on Bonds shall specify the CUSIP number or numbers of the Bonds in connection with which such payment is made.

The Bonds of each Series shall be issued in the form of fully registered Bonds without coupons.

Bonds of each Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Supplemental Indenture authorizing the issuance thereof. Bonds of each Series issued on or subsequent to the first interest payment date thereof shall be dated as of the interest payment date immediately preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; *provided, however,* that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of each Series shall bear interest from their date.

All Bonds of each Series shall mature February 15 of each year in which a maturity is fixed by the Supplemental Indenture authorizing the issuance of such Bonds. Interest on all Bonds of each Series, other than interest on Variable Interest Rate Bonds, Capital Appreciation Bonds and Deferred Income Bonds prior to the Interest Commencement Date, shall be payable semiannually on August 15th and February 15th of each year in which an installment of interest becomes due as fixed in the Supplemental Indenture. Interest on Variable Interest Rate Bonds shall be payable at such time as shall be provided in the Supplemental Indenture authorizing the issuance of such Bonds. The first installment of interest due on the Bonds of a Series may be for such period as the Corporation shall fix in the Supplemental Indenture authorizing the issuance thereof.

SECTION 3.02 Legends. The Bonds may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith or with any Supplemental Indenture authorizing the same, as may be necessary or desirable and as may be determined by the Corporation prior to their delivery.

SECTION 3.03 CUSIP Numbers. The Corporation shall provide for the assignment of CUSIP numbers for such Bonds and cause such CUSIP numbers to be printed thereon, and the Trustee shall use such CUSIP numbers in notices of redemption and of the tender of Option Bonds and on all checks payable to Bondholders as a convenience to Bondholders; *provided, however*, that any such notice shall state that no representation is made as to the correctness of such number either as printed on such Bonds or as contained in any notice of redemption or tender, and that an error in a CUSIP number as printed on such Bond or as contained in any notice of redemption or of tender shall not affect the validity of the proceedings for redemption or tender. The Corporation shall promptly notify the Trustee of any change in the CUSIP numbers assigned to any Bond of which the Corporation has knowledge.

SECTION 3.04 Execution and Authentication. The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, an Assistant Secretary or other Authorized Officer of the Corporation, or in such other manner as may be permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be delivered as provided herein, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or be employed by, the Corporation, although at the date of the Bonds such persons may not have been so authorized or have held such office or employment.

The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing the issuance of such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit hereunder and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Corporation shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the Holder thereof is entitled to the benefits hereof.

SECTION 3.05 Interchangeability of Bonds. Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and tenor of any other authorized denominations.

SECTION 3.06 Transfer and Registry. So long as any of the Bonds shall not have matured or been called for redemption, the Corporation shall maintain and keep, or cause to be maintained and kept, at the principal corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds have not matured or been called for redemption, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Trustee.

SECTION 3.07 Transfer of Bonds. Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Corporation or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any such Bond, the Corporation shall cause to be issued in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series, maturity and tenor as the surrendered Bond.

The Corporation and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and, subject to the provisions of Section 3.01 hereof with respect to Record Dates, interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

SECTION 3.08 Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to

SECTION 3.02 Legends. The Bonds may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith or with any Supplemental Indenture authorizing the same, as may be necessary or desirable and as may be determined by the Corporation prior to their delivery.

SECTION 3.03 CUSIP Numbers. The Corporation shall provide for the assignment of CUSIP numbers for such Bonds and cause such CUSIP numbers to be printed thereon, and the Trustee shall use such CUSIP numbers in notices of redemption and of the tender of Option Bonds and on all checks payable to Bondholders as a convenience to Bondholders; *provided, however*, that any such notice shall state that no representation is made as to the correctness of such number either as printed on such Bonds or as contained in any notice of redemption or tender, and that an error in a CUSIP number as printed on such Bond or as contained in any notice of redemption or of tender shall not affect the validity of the proceedings for redemption or tender. The Corporation shall promptly notify the Trustee of any change in the CUSIP numbers assigned to any Bond of which the Corporation has knowledge.

SECTION 3.04 Execution and Authentication. The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, an Assistant Secretary or other Authorized Officer of the Corporation, or in such other manner as may be permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be delivered as provided herein, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or be employed by, the Corporation, although at the date of the Bonds such persons may not have been so authorized or have held such office or employment.

The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing the issuance of such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit hereunder and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Corporation shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the Holder thereof is entitled to the benefits hereof.

any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any amount with respect to the principal or Redemption Price of, or interest on, such Bond. The Corporation and the Trustee may treat the Depository therefor as the absolute owner of a Book Entry Bond for the purpose of (x) payment of the principal or Redemption Price of and interest on such Bond, (y) giving notices of redemption and of other matters with respect to such Bond, (z) registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal or Redemption Price of and interest on such Bond only to or upon the order of the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to such principal or Redemption Price and interest to the extent of the sum or sums so paid. No person other than the Depository shall receive a Bond or other instrument evidencing the Corporation's obligation to make payments of the principal or Redemption Price thereof and interest thereon.

Anything herein to the contrary notwithstanding, payment of the Redemption Price of a Book Entry Bond which is redeemed in part prior to maturity may be paid to the Depository by wire transfer without surrender of such Bond to the Trustee; *provided, however*, that the Trustee shall maintain records as to each such payment and of the principal amount of such Bond Outstanding, which shall be binding on the Corporation and the Holders from time to time of such Bond; *provided, further*, that payment of the principal or Redemption Price of and interest on a Book Entry Bond at the maturity date or earlier date on which such Bond has been called for redemption in whole shall only be made upon presentation and surrender of such Bond to the Trustee at its principal corporate trust office.

The Corporation, in its sole discretion and without the consent of the Trustee, the beneficial owner of a Book Entry Bond or any other person, may terminate the services of the Depository with respect to a Book Entry Bond if the Corporation determines that (i) the Depository is unable to discharge its responsibilities with respect to such Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds of like Series issued in book entry form be registered in the registration books of the Corporation in the name of the Depository, is not in the best interest of the beneficial owners of such Bonds, and the Corporation shall terminate the services of the Depository upon receipt by the Corporation and the Trustee of written notice from the Depository that it has received written requests that such Depository be removed from its participants having beneficial interest, as shown in the records of the Depository, in an aggregate amount of not less than a majority in principal amount of the then Outstanding Bonds for which the Depository is serving as Depository.

Upon the termination of the services of a Depository with respect to a Book Entry Bond, or upon the resignation of a Depository with respect to a Book Entry Bond, after which no substitute securities depository willing to undertake the functions of such Depository can be found which, in the opinion of the Corporation, is able to undertake such functions upon reasonable and customary terms, such Bonds shall no longer be registered in the registration books kept by the Trustee in the name of a Depository, but shall be registered in the name or names of the Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of Article III hereof.

such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provisions hereof, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith, shall be paid by the person requesting such exchange or transfer. The Corporation shall not be obliged to make, or cause to be made, any exchange or transfer of Bonds of any Series, other than the exchange or transfer of an Option Bond which has been tendered or deemed to have been tendered by the Holder thereof for purchase, during the period beginning on the Record Date for such Bonds immediately preceding an interest payment date on such Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds of such Series, after the date immediately preceding the date notice of redemption has been mailed.

SECTION 3.09 Bonds Mutilated, Destroyed, Lost or Stolen. In case any Bond shall become mutilated or be destroyed, lost or stolen, the Corporation in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, tenor and principal amount as the Bond so mutilated, destroyed, lost or stolen, in exchange and substitution for the mutilated, destroyed, lost or stolen Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for such Bond so destroyed, lost or stolen, upon filing with the Corporation evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation. In case any Bond which has matured or is about to mature shall have become mutilated or have been destroyed, lost or stolen, the Corporation may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of such mutilated Bond upon the surrender on or after the maturity date thereof, or authorize the payment of such destroyed, lost or stolen Bond, upon the Holder thereof filing evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith.

SECTION 3.10 Book Entry Bonds. Anything herein to the contrary notwithstanding, Bonds may be authorized and issued as Book Entry Bonds in accordance with the Supplemental Indenture authorizing such Bonds.

For all purposes of the Indenture the Holder of a Book Entry Bond shall be the Depository therefor and neither the Corporation nor the Trustee shall have responsibility or any obligation to the beneficial owner of such Bond or to any direct or indirect participant in such Depository. Without limiting the generality of the foregoing, neither the Corporation nor the Trustee shall have any responsibility or obligation to any such participant or to the beneficial owner of a Book Entry Bond with respect to (i) the accuracy of the records of the Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to

SECTION 3.11 Preparation of Definitive Bonds; Temporary Bonds.

The definitive Bonds of each Series shall be lithographed or printed on steel engraved borders, except that Book Entry Bonds may be typewritten. Until the definitive Bonds of any Series are prepared, the Corporation may execute, in the same manner as is provided in Section 3.04 hereof, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The Corporation at its own expense shall prepare and execute and, upon the surrender at the principal corporate trust office of the Trustee of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal corporate trust office of the Trustee, definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant hereto.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

**ARTICLE IV.
REDEMPTION OF BONDS**

SECTION 4.01 Authorization of Redemption. Bonds subject to redemption prior to maturity pursuant hereto or to a Supplemental Indenture shall be redeemable, in accordance with this Article IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein or in the Supplemental Indenture authorizing such Series.

SECTION 4.02 Redemption at the Election of the Corporation. In the case of any redemption of Bonds other than as provided in Section 4.03 hereof, the Corporation shall give written notice to the Trustee of its election to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. Such notice shall be given not less than forty-five (45) days prior to the redemption date or such lesser number of days as the Trustee may approve. The Series, maturities and principal amounts thereof to be so redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained herein or in the Supplemental Indenture authorizing such Series. The Corporation shall pay to the Trustee on or prior to the redemption date an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem on the redemption date at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds to be so redeemed.

SECTION 4.03 Redemption Other Than at Corporation's Election. Whenever by the terms hereof Bonds are required to be redeemed pursuant to Section 5.08 hereof or through the application of mandatory Sinking Fund Installments or otherwise as provided in the Supplemental Indenture authorizing such Bonds, the Trustee shall select the particular Bonds of the Series and maturities to be redeemed in the manner provided in Section

4.04 hereof, give the notice of redemption and pay out of money available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

SECTION 4.04 Selection of Bonds to Be Redeemed. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of Bonds of a Series, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as in this Section 4.04 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; *provided, however*, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of this Section 4.04, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds, and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds.

SECTION 4.05 Notice of Redemption. Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Corporation which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with Section 2.01 hereof, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) with respect to each such Bond, the principal amount thereof to be redeemed; (vi) that, except in the case of Book Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the telephone number of the Trustee to which inquiries may be directed; (vii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on a

Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (viii) if the Corporation's obligation to redeem the Bonds is subject to conditions, a statement to that effect and of the conditions to such redemption. Such notice shall further state that, if on such date all conditions to redemption have been satisfied, there shall become due and payable on such date upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Supplemental Indenture authorizing such Bonds. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee shall promptly certify to the Corporation that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided herein. Such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds.

SECTION 4.06 Payment of Redeemed Bonds. Notice having been given by mail in the manner provided in Section 4.05 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, except as otherwise provided in Section 3.10 hereof upon presentation and surrender of such Bonds, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date; *provided, however*, that payment of the Redemption Price may be paid by wire transfer to such registered owner if so authorized in the Supplemental Indenture that authorized the Bonds of the Series to be redeemed. If there shall be drawn for redemption less than all of the principal amount of a registered Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, money for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding hereunder. If such money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V.
PLEDGE OF TRUST ESTATE; FUNDS AND ACCOUNTS;
REVENUES AND APPLICATION THEREOF

SECTION 5.01 Pledge of Trust Estate. The Corporation, to secure the payment of the principal and Redemption Price of and interest on the Bonds and performance and observance of all of the covenants and conditions herein or therein contained, has by the Granting Clause hereof conveyed, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in and does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Trustee, its successor or successors and its or their assigns forever, with power of sale, the Trust Estate. The Bonds shall be special obligations of the Corporation payable solely from and secured by a pledge of, lien on and security interest in the Trust Estate, which pledge, lien and security interest shall constitute a first lien thereon.

SECTION 5.02 Establishment of Funds and Accounts. The following funds and separate accounts within funds are hereby established and shall be held and maintained by the Trustee:

Revenue Fund;

Construction Fund:

Project Account;

Costs of Issuance Account;

Capitalized Interest Account; and

HYDC Expense Account;

Debt Service Fund:

Senior Bond Account;

Subordinate Bond Account;

TFA Proceeds Account; and

Redemption Account;

Corporation Expense Fund; and

Surplus Fund.

All money at any time deposited in any fund, account or subaccount created and pledged hereby or by any Supplemental Indenture or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided herein; *provided, however*, that the money derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase or redemption in accordance with the Supplemental Indenture authorizing the issuance of such Bonds or derived from a Liquidity Facility or a Credit Facility relating to such Bonds, and any fund or account established by or pursuant to such Supplemental Indenture for the payment of the purchase price or Redemption Price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than the Holders of such Option Bonds, and such money and each such fund and account are pledged hereby for the payment of the purchase price or Redemption Price of such Option Bonds.

SECTION 5.03 Application of Bond Proceeds. Upon the receipt of proceeds from the sale of a Series of Bonds, the Corporation shall apply such proceeds as specified herein and in the Supplemental Indenture authorizing such Series.

Unless otherwise specified in the Supplemental Indenture authorizing the issuance of a Series of Bonds, the accrued interest, if any, received upon the delivery of such Series shall be deposited in the Senior Bond Account or Subordinate Bond Account, as applicable, of the Debt Service Fund.

SECTION 5.04 Construction Fund. (a) For purposes of internal accounting, the Construction Fund shall consist of the Project Account, the Costs of Issuance Account, the Capitalized Interest Account and the HYDC Expense Account. The Project Account shall consist of the Subway Extension Subaccount, the Public Amenities Subaccount and the TDRs Purchase Subaccount. In addition, any account or subaccount within the Construction Fund may contain one or more other accounts and subaccounts as the Corporation may deem proper. There shall be established a separate account within the Capitalized Interest Account for each Series of Bonds for which proceeds are to be set aside for payment of Capitalized Interest thereon. As soon as practicable after the delivery of each Series of Bonds, there shall be deposited into each account and subaccount within the Construction Fund the amount required to be deposited therein pursuant to the Supplemental Indenture authorizing such Series, *except* that Project Costs consisting of the purchase price for the TDRs payable pursuant to the MTA Agreement shall be paid in accordance with the direction of the Corporation directly to the person entitled thereto.

(b) Except as otherwise provided in this Article V, (i) money in the Subway Extension Subaccount shall only be used to pay the Project Costs of the Subway Extension and (ii) money in the Public Amenities Subaccount shall only be used to pay the Project Costs of the Public Amenities, (iii) money in the TDRs Purchase Subaccount shall only be used to pay the purchase price of the TDRs at the time, in the amounts and in accordance with the MTA Agreement, (iv) money in the Costs of Issuance Account shall only be used to pay the Costs of Issuance and (v) money in the Capitalized Interest Account shall only be used to pay interest on Outstanding Bonds; *provided, however*, that money in the Public Amenities Subaccount may at any time be withdrawn and transferred to the Subway Extension Subaccount or the HYDC Expense Account and money in the TDRs Purchase Subaccount may at any time be withdrawn and transferred to the Subway Extension Subaccount or the Public Amenities Subaccount, in each case in accordance with the written direction of the Corporation.

(c) Except as provided in paragraph (e) of this Section, payments from the Project Account or the Costs of Issuance Account shall be made by the Trustee in accordance with a Project Cost Requisition. Money in a subaccount within the Capitalized Interest Account shall, on the fourth Business Day next preceding an Interest Payment Date for the Bonds for which such subaccount has been established, be transferred by the Trustee to the Senior Bond Account or Subordinate Bond Account of the Debt Service Fund, as applicable, in such amounts as may be required to pay when due the interest on such Bonds payable on such Interest Payment Date. Money in the HYDC Expense Account shall be paid by the Trustee to HYDC in accordance with the direction of the Corporation given or confirmed in writing.

(d) The income or interest earned on investments held for the credit of the Construction Fund shall be withdrawn by the Trustee, as received, and deposited, first, in the Senior Bond Account of the Debt Service Fund until the amount therein is equal to the interest payable on Outstanding Senior Bonds (other than Funded Bonds) during the then current Fiscal Year, and, then, in the Subordinate Bond Account of the Debt Service Fund until the amount therein is equal to the interest payable on Outstanding Subordinate Bonds (other than Funded Bonds) during the then current Fiscal Year.

(e) Money, if any, remaining (i) in the Costs of Issuance Account after all Costs of Issuance have been paid or provision has been made for their payment in accordance with the written direction of an Authorized Officer of the Corporation or (ii) in the Subway Extension Subaccount, the Public Amenities Subaccount, the TDRs Purchase Subaccount or the Costs of Issuance Account, after Substantial Completion of the respective component of the Project for which such subaccount has been established and provision in accordance with the direction of an Authorized Officer of the Corporation for the payment of any Project Costs then unpaid and for the payment of claims and the discharge of or security for liens arising out of construction of the applicable component of the Project, may at the written direction of an Authorized Officer of the Corporation be withdrawn and transferred to any one or more of the subaccounts within the Project Account and the Redemption Fund in accordance with such direction.

Money remaining in the Project Account after Substantial Completion of the Project and after provision in accordance with the direction of an Authorized Officer of the Corporation for the payment of any Project Costs then unpaid and for the payment of claims and the discharge of or security for liens arising out of construction of the Project, shall be applied as follows:

Unless a Payment Default has occurred:

(i) Prior to the Conversion Date, to the Redemption Fund for application in accordance with Section 5.08(a) hereof; or

(ii) On or after the Conversion Date, in accordance with the written direction of an Authorized Officer of the Corporation, (i) to the purchase or redemption of Bonds, (ii) to make provision for payment of Outstanding Bonds in accordance with Section 12.01(b) hereof or (iii) as may otherwise be set forth in such direction if the Trustee shall have also received an Opinion of Bond Counsel.

Notwithstanding any other provision of this Section 5.04, if a Payment Default has occurred, the money in each account and subaccount of the Construction Fund shall be transferred to the Redemption Account for application in accordance with Section 5.08(b)(iv) hereof.

SECTION 5.05 Deposit of Revenues. The Revenues upon receipt shall be deposited in the Revenue Fund and immediately thereafter applied as provided in Section 5.06 of this Indenture.

SECTION 5.06 Application of Revenues. (a) *Prior to Conversion Date or on and after a Payment Default.* The Revenues received prior to the Conversion Date or on and after a Payment Default shall be applied by the Trustee in the following order of priority:

First: To the Corporation Expense Fund, the amount required to make the amount deposited therein during such Fiscal Year equal to the lesser of (i) the Corporation Expenses for such Fiscal Year, exclusive of Termination Payments, and (ii) the Operating Cap for such Fiscal Year;

Second: Unless a Payment Default has occurred, to the Senior Bond Account of the Debt Service Fund, the amount required to pay (i) interest on Outstanding Senior Bonds (other than Funded Bonds) payable during such Fiscal Year and (ii) Hedge Agreement Payments and interest on Parity Reimbursement Obligations as the same become due and payable during such Fiscal Year, in each cases relating to Senior Bonds;

Third: Unless a Payment Default has occurred, to the Corporation Expense Fund, the amount required, if any, to make the amount deposited therein during such Fiscal Year equal to the Corporation Expenses for such Fiscal Year;

Fourth: Unless a Payment Default has occurred, to the Subordinate Bond Account of the Debt Service Fund, the amount required to pay (i) interest on Outstanding Subordinate Bonds (other than Funded Bonds) payable during such Fiscal Year and (ii) Hedge Agreement Payments and interest on Parity Reimbursement Obligations as the same become due and payable during such Fiscal Year, in each case relating to Subordinate Bonds; *provided, however*, that if on the date of deposit or payment the interest at which a Variable Interest Rate Bond will bear interest during such Fiscal Year is not known, the Trustee shall calculate such interest based upon a rate per annum certified to it by the Corporation as the rate the Corporation has assumed such Variable Interest Rate Bond will bear; and

Fifth: To the Redemption Account, the balance of such Revenues.

(b) *On and After the Conversion Date.* The Revenues received on and after the Conversion Date, but prior to a Payment Default, shall be applied by the Trustee as provided in this paragraph (b). The Revenues received during a Fiscal Year shall be applied in the following order of priority:

First: To the Corporation Expense Fund, the amount required to make the amount deposited therein during such Fiscal Year equal to the lesser of (i) the Corporation Expenses for such Fiscal Year, exclusive of Termination Payments, and (ii) the Operating Cap for such Fiscal Year;

Second: To the Senior Bond Account of the Debt Service Fund, the amount required to pay (i) the Debt Service on Outstanding Senior Bonds payable during the then current Fiscal Year and (ii) Hedge Agreement Payments and the principal of and interest on any Parity Reimbursement Obligations as the same is

due and payable during such Fiscal Year, in each case relating to Senior Bonds; *provided, however*, that Revenues received after February 15 of such Fiscal Year shall also be paid to the Senior Bond Account of the Debt Service Fund in amounts required to pay the Debt Service on Outstanding Senior Bonds payable during the next succeeding Fiscal Year;

Third: To the Subordinate Bond Account of the Debt Service Fund, the amount required to pay (i) the Debt Service on Outstanding Subordinate Bonds payable during such Fiscal Year and (ii) Hedge Agreement payments and the principal of and interest on any Parity Reimbursement Obligations as the same is due and payable during such Fiscal Year, in each case relating to Subordinate Bonds; *provided, however*, that Revenues received after February 15 of such Fiscal Year shall also be paid to the Subordinate Bond Account of the Debt Service Fund in amounts required to pay the Debt Service on Outstanding Subordinate Bonds payable during the next succeeding Fiscal Year;

Fourth: To the Corporation Expense Fund, the amount required, if any, to make the amount deposited therein during such Fiscal Year equal to the Corporation Expenses for such Fiscal Year; and

Fifth: To the Surplus Fund, the balance of such Revenues.

SECTION 5.07 Debt Service Fund. (a) The Trustee shall make the payments from each account of the Debt Service Fund as set forth below.

(i) **Senior Bond Account.** The Trustee shall pay from the Senior Bond Account the following amount and in the following order of priority:

First, the principal and Sinking Fund Installments of all Outstanding Senior Bonds (other than Funded Bonds) and the principal of any Parity Reimbursement Obligations relating to Senior Bonds as the same is due and payable; and

Second, the interest on all Outstanding Senior Bonds (other than Funded Bonds) as the same is due and payable, including upon redemption prior to maturity of any Outstanding Senior Bond, Hedge Agreement Payments relating to Senior Bonds and interest on any Parity Reimbursement Obligations relating to Senior Bonds as the same is due and payable.

Money in the Senior Bond Account shall, upon a Payment Default, be transferred to the Redemption Account and applied in accordance with Section 5.08(b)(iv).

(ii) **Subordinate Bond Account.** The Trustee shall pay from the Subordinate Bond Account the following amounts and in the following order of priority:

First, the interest on all Outstanding Subordinate Bonds that are Supported Bonds (other than Funded Bonds) in direct order of Priority as the same is due and payable, including upon redemption prior to maturity of such Outstanding Subordinate Bond;

Second, the interest on all other Outstanding Subordinate Bonds (other than Funded Bonds) in direct order of Priority as the same is due and payable, including upon redemption prior to maturity of any Outstanding Subordinate Bond as the same is due and payable, and Hedge Agreement Payments relating to Subordinate Bonds and interest on any Parity Reimbursement Obligations relating to Subordinate Bonds as the same is due and payable; and

Third, the principal and Sinking Fund Installments of all Outstanding Subordinate Bonds (other than Funded Bonds) and the principal of any Parity Reimbursement Obligations relating to Senior Bonds as the same is due and payable, in each case in director order of Priority.

Money in the Subordinate Bond Account shall, upon a Payment Default, be transferred to the Redemption Account and applied in accordance with Section 5.08(b)(iv).

(iii) **TFA Proceeds Account.** Except as otherwise expressly provided herein, the TFA Proceeds Account shall be solely for the benefit of and secure the Outstanding TFA Supported Bonds, and no Holder of any Bond other than a TFA Supported Bond shall have any right or interest in the money and investments from time to time held in the TFA Proceeds Account. All TFA Proceeds shall, upon receipt by the Corporation, be deposited in the TFA Proceeds Account. The Trustee shall pay from the TFA Proceeds Account the principal and Sinking Fund Installments of and interest on Outstanding TFA Supported Bonds (other than Funded Bonds), when due, to the extent not paid from the Subordinate Bond Account, and the Provider Payments, when due, to each Provider of a Liquidity Facility or Credit Facility in connection with TFA Supported Bonds. Money in the TFA Proceeds Account shall, upon a Payment Default, be transferred to the Redemption Account and applied in accordance with Section 5.08(b)(iii).

(iv) **Redemption Account.** The Trustee shall pay from the Redemption Account the Redemption Price of all Outstanding Bonds redeemed pursuant to Section 5.08 hereof.

Amounts paid to a Paying Agent for payments pursuant to this Section shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of this Section, the Corporation may, at any time subsequent to the first day of any Fiscal Year, but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due on Outstanding Senior Bonds or Subordinate Bonds, direct the Trustee to purchase, with money on

deposit in the Senior Bond Account or Subordinate Bond Account, as applicable, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Bonds to be redeemed from such Sinking Fund Installment payable from such account; *provided, however*, that no money in the Senior Bond Account or the Subordinate Bond Account shall be so applied unless after such purchase the amount in such account is at least equal to the principal and Sinking Fund Installments of and interest due and to be come due on Outstanding Bonds payable from such account during the then current Fiscal Year. Any Bond so purchased or otherwise purchased and delivered to the Trustee shall be cancelled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Corporation. The principal amount of each Bond so cancelled shall be credited against the applicable Sinking Fund Installment due on such date.

SECTION 5.08 Redemption Account. (a) Prior to the occurrence of a Payment Default, money in the Redemption Account during a Fiscal Year shall be applied during such Fiscal Year in the order of priority set forth below:

(i) First, money in the Redemption Account shall be paid to the City to reimburse it for Interest Support Payments theretofore made during the then current Fiscal Year;

(ii) Second, on June 30th of such Fiscal Year an amount of money in the Redemption Account, up to the amount of interest on Outstanding Senior Bonds payable during the next succeeding Fiscal Year, shall be transferred to the Senior Bond Account of the Debt Service Fund and an amount of money, up to the amount of interest on Outstanding Subordinate Bonds payable during the next succeeding Fiscal Year, shall be transferred to the Subordinate Bond Account of the Debt Service Fund; and

(iii) Third, unless the Supplemental Indenture authorizing the issuance of the Initial Bonds provides otherwise, if any Outstanding Senior Bonds are subject to redemption at the option of the Corporation during the then current Fiscal Year, the money in the Redemption Account not required to be applied pursuant to clauses (i) or (ii) of this Section 5.08(a), at the direction the Corporation given or confirmed in writing and in accordance with such direction shall be applied:

(A) First, to purchase such Senior Bonds at a purchase price not to exceed the Redemption Price of such Senior Bonds on the next date during such Fiscal Year on which such Senior Bonds are redeemable at the option of the Corporation or to redeem such Senior Bonds. The Senior Bonds to be so redeemed shall be the Senior Bonds of each maturity within a Series that are subject to redemption during such Fiscal Year and shall, as nearly as practicable taking into consideration the minimum denominations of such Bonds, be redeemed *pro rata* based upon the relationship that the principal amount of Senior Bonds of each maturity, within a Series that is so redeemable bears to the aggregate principal of Senior Bonds that are redeemable during such Fiscal Year.

The particular Bonds of each Series and maturity to be redeemed pursuant to this Section 5.08(a) shall be selected, by lot, in accordance with Section 4.04 hereof, unless a Supplemental Indenture provides otherwise with respect to Senior Bonds authorized thereby; and

(B) Then, any money remaining in the Redemption Account on June 30th of such Fiscal Year that is not required to pay the Redemption Price or purchase price of Senior Bonds theretofor called for redemption or contracted to be purchased shall be transferred to the Revenue Fund.

Money remaining in the Redemption Account on the June 30th of the Fiscal Year during which Conversion Date occurs shall be withdrawn and transferred to the Revenue Fund for application in accordance with Section 5.06(b) hereof.

(b) Subsequent to the occurrence of a Payment Default, money in each fund, account or subaccount established pursuant to this Indenture shall be transferred to the Redemption Account and the money in the Redemption Account shall be applied as follows:

(i) Money from the TFA Proceeds Account of the Debt Service Fund transferred pursuant to Section 5.07(a)(iii) of this Indenture shall be applied in the following order of priority:

First, to the payment to the registered owners of the Outstanding TFA Supported Bonds, interest on all arrears in payment of the principal of or interest on Outstanding TFA Supported Bonds at the respective rates of interest specified in such Bonds *pro rata* based upon the amount of interest payable to each such registered owner;

Second, on each Interest Payment Date, to the interest due and past due on such Interest Payment Date on all Outstanding TFA Supported Bonds, *pro rata* based upon the amount of interest payable to each person entitled thereto; and

Third, to redeem on February 15th of each Fiscal Year, at a Redemption Price equal to one hundred percent (100%) of the principal amount of TFA Supported Bonds to be redeemed, Outstanding TFA Supported Bonds of each Series. The TFA Supported Bonds of each such Series shall, as nearly as practicable taking into consideration the minimum denominations for such Bonds, be redeemed *pro rata* based, first, upon the relationship that the principal amount of TFA Supported Bonds of each Series that is then Outstanding bears to the aggregate principal amount of TFA Supported Bonds of all such Series then Outstanding, and, then, within a Series, upon the principal amount of each maturity of the TFA Supported Bonds of such Series and maturity that is then Outstanding bears to the aggregate principal amount of the TFA Supported Bonds of such Series then Outstanding.

(ii) All other money in the Redemption Account shall be applied in the following order of priority:

First, to the payment to the registered owners of the Outstanding Senior Bonds, interest on all arrears in payment of the principal of or interest on Outstanding Senior Bonds at the respective rates of interest specified in such Bond *pro rata* based upon the amount of interest payable to each such registered owner;

Second, on each Interest Payment Date, to the interest due and past due on such Interest Payment Date on all Outstanding Senior Bonds, *pro rata* based upon the amount of interest payable to each person entitled thereto; and

Third, to redeem on February 15th of each Fiscal Year, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Senior Bonds to be redeemed, Outstanding Senior Bonds of each Series. The Senior Bonds of each such Series shall, as nearly as practicable taking into consideration the minimum denominations for such Senior Bonds, be redeemed *pro rata* based, first, upon the relationship that the principal amount of Senior Bonds of each Series that is then Outstanding bears to the aggregate principal amount of Senior Bonds of all such Series then Outstanding, and, then, within a Series, upon the principal amount of each maturity of the Senior Bonds of such Series and maturity that is then Outstanding bears to the aggregate principal amount of the Senior Bonds of such Series then Outstanding.

If no Senior Bonds are then Outstanding, money in the Redemption Account shall be applied in the following order of priority:

First, in order of Priority of the Outstanding Subordinate Bonds, to the payment to the registered owners of the Outstanding Subordinate Bonds, interest on all arrears in payment of the principal of or interest on Outstanding Subordinate Bonds at the respective rates of interest specified in such Bond *pro rata* within a Priority based upon the amount of interest payable to each such registered owner;

Second, on each Interest Payment Date, to the interest due and past due on such Interest Payment Date on all Outstanding Subordinate Bonds in order of Priority and *pro rata* within a Priority based upon the amount of interest payable to each person entitled thereto; and

Third, to redeem on February 15th of each Fiscal Year, at a Redemption Price equal to one hundred percent (100%) of the principal amount of Subordinate Bonds to be redeemed, Outstanding Subordinate Bonds of each Series in order of Priority of such Subordinate Bonds. The Subordinate Bonds of each such Series within a Priority shall, as nearly as

practicable taking into consideration the minimum denominations for such Bonds, be redeemed *pro rata* based, first, upon the relationship that the principal amount of Subordinate Bonds of each such Series and Priority that is then Outstanding bears to the aggregate principal amount of Subordinate Bonds of all such Series and Priority then Outstanding, and, then, within a Series, upon the principal amount of each maturity of the Subordinate Bonds of such Series and maturity that is then Outstanding bears to the aggregate principal amount of the Subordinate Bonds of such Series then Outstanding.

For the purposes of the payments to be made pursuant to this Section 5.08(b), (i) a Capital Appreciation Bond from and after its maturity date shall bear interest at the Default Rate applicable thereto specified in the Supplemental Indenture authorizing the issuance thereof and (ii) the principal amount of a Capital Appreciation Bond or Deferred Income Bond shall be its Accreted Value or Appreciated Value on the date of its redemption.

(c) Unless otherwise provided in the Supplemental Indenture authorizing the issuance of Bonds of a Series, the particular Bonds of each Series and maturity to be so redeemed pursuant to this Section shall be selected, by lot, in accordance with Section 4.04 hereof.

SECTION 5.09 Corporation Expense Fund. Money in the Corporation Expense Fund shall be used only for the payment of Corporation Expenses and shall be withdrawn by the Corporation at such times and in such amounts as the Corporation considers necessary to make such payments, including withdrawals of amounts for deposit to one or more accounts of the Corporation established for the convenience of the Corporation in effecting payment of Corporation Expenses. Money in the Bond Insurance Reserve shall be applied to pay the premiums payable by the Corporation during the then current Fiscal Year on financial guaranty insurance policies to the extent that the other money in the Corporation Expense Fund is not sufficient to make such payment.

Money in the Corporation Expense Fund (other than in the Bond Insurance Reserve) on June 30th of a Fiscal Year shall, after provision for the payment of any Corporation Expenses for such Fiscal Year due but then unpaid, shall be withdrawn by the Trustee and, prior to the Conversion Date, deposited to the Redemption Account, or, subsequent to the Conversion Date, to any other fund or account hereunder pursuant to the written direction of the Corporation; *provided, however*, that the Corporation may elect by written notice to the Trustee to retain in the Corporation Expense Fund an amount equal to twenty percent (20%) of the Corporation Expenses for the next succeeding Fiscal Year.

SECTION 5.10 Surplus Fund. Money in the Surplus Fund may be applied, free and clear of any lien or trust thereon for the benefit of the Bondholders, for any corporate purpose of the Corporation, including, but not limited to, payments to the City. Such payment shall be made by the Trustee at the times and in the amounts set forth in the written direction of the Corporation; *provided, however*, that any such money not paid to the City shall only be applied by the Corporation either for (i) the payment of any obligations of the Corporation for which money in any other fund or account established hereby may be applied, (ii) improvements of or additions to the components of the Project that constitute the Subway

Extension or the Public Amenities or (iii) other expenditures consistent with the corporate purposes of the Corporation that are primarily for the benefit of or directly relate to Hudson Yards Financing District, as such district may from time to time be defined by the City's City Council; *provided, further*, that, subject to the provisions of Section 5.07(c) hereof, if any note, bond or other evidence of indebtedness of the Corporation is then held by the New York City Transitional Finance Authority, money in the Surplus Fund shall not, without the consent of TFA, be applied to any purpose other than the payment when due or prepayment in whole or in part of such indebtedness and the accrued and unpaid interest thereon.

Notwithstanding the foregoing, subsequent to the occurrence of a Payment Default, money in the Surplus Fund shall be transferred to the Redemption Account and applied in accordance with Section 5.08(b) of this Indenture

SECTION 5.11 Application of Money in Certain Funds for Retirement of Bonds. Notwithstanding any other provisions hereof, if at any time:

(i) the amounts held in the Senior Bond Account of the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Senior Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to Section 12.01(b) of this Indenture for the payment of such Bonds at the maturity or redemption dates thereof; or

(ii) the amounts held in the Subordinate Bond Account of the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Subordinate Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to Section 12.01(b) of this Indenture for the payment of such Bonds at the maturity or redemption dates thereof;

then, in each such case the Corporation may (i) direct the Trustee to redeem such Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds hereby and by each Supplemental Indenture as provided in Article IV hereof, or (ii) give the Trustee irrevocable instructions in accordance with Section 12.01(b) hereof and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

SECTION 5.12 Transfer of Investments. Whenever money in any fund or account established hereunder is to be paid in accordance herewith to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the money, if any, to be transferred, is at least equal to the amount of the payment then to be made; *provided, however*, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

**ARTICLE VI.
INVESTMENT OF FUNDS**

SECTION 6.01 Investment of Funds and Accounts. (a) Money held hereunder, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee in any Eligible Investments in accordance with the direction of an Authorized Officer of the Corporation given in writing, which direction shall specify the particular investment to be made; *provided, however,* that money in the Debt Service Fund shall only be invested in Eligible Investments of the type described in clause (ii), (iii), (vi) or (viii) of the definition of the term "Eligible Investments" set forth in Section 1.01 hereof, but, with respect to Eligible Investments described in said clause (viii), only if at the time such investment is made such securities are rated in the highest rating category of each Rating Service. Each investment shall permit the money so deposited or invested to be available for use at the times at, and in the amounts in, which the Corporation reasonably believes such money will be required for the purposes hereof.

(b) Obligations purchased or other investments made as an investment of money in any fund or account held under the provisions hereof shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be credited or charged, as the case may be, to such fund or account.

(c) In computing the amount in any fund or account held by the Trustee under the provisions hereof, obligations purchased as an investment of money therein or held therein shall be valued at the market value thereof, plus accrued interest to the date of valuation.

(d) Notwithstanding anything to the contrary herein, the Corporation, in its discretion, may, and the Trustee at the direction of an Authorized Officer of the Corporation, shall sell, present for redemption or exchange any investment held pursuant hereto and the proceeds thereof may be reinvested as provided in this Section. Except as otherwise provided herein, such investments shall be sold at the best price obtainable by it, or presented for redemption or exchange, whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Corporation in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account hereunder in a statement of the value of the investments held for the credit of each fund and account in its custody under the provisions hereof as of the end of the preceding month, as valued by its customarily recognized service provider for determining the market value of investments, and as to whether such investments comply with the provisions of paragraphs (a) and (b) of this Section. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

SECTION 6.02 Liability for Investments. Neither the Corporation nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of this Article VI, in the manner provided in this Article VI, for any depreciation in value of any such investment, or for any loss, fee, tax or other charge, direct or indirect, resulting from any such investment, reinvestment or liquidation of an investment.

ARTICLE VII. PARTICULAR COVENANTS

The Corporation covenants and agrees with the Holders of the Bonds as follows:

SECTION 7.01 Payment of Principal and Interest. The Corporation shall pay or cause to be paid every Bond, including interest thereon, on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

SECTION 7.02 Extension of Payment of Bonds. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of such Bonds or the time for payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled, in case of any default hereunder, to the benefit hereof or of any Supplemental Indenture or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant hereto and to any Supplemental Indenture) held by the Trustee, except subject to the prior payment of the principal of all Outstanding Bonds the maturity of which has not been extended and of such portion of the interest on such Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Option Bonds or Bonds or other bonds or notes to refund Outstanding Bonds and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds.

SECTION 7.03 Powers as to Bonds and Pledge. The Corporation is duly authorized to create and issue the Bonds, to execute the Indenture and each Supplemental Indenture and to pledge and assign the Trust Estate in the manner and to the extent provided herein and therein. The Corporation further covenants that the Trust Estate is and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto that is prior to or of equal rank with the pledge created hereby, other than any pledge, lien, charge or encumbrance thereon created by the Corporation to secure any Parity Reimbursement Obligations and to make Hedge Agreement Payments, which may as expressly provided herein be of equal priority and rank with the charge and lien thereon created hereby for payment of the Bonds of the Priority to which such Parity Reimbursement Obligation or Hedge Agreement Payments relate. The Corporation further covenants that all corporate action on the part of the Corporation to that end has been duly and validly taken. The Corporation further covenants that the Bonds and the provisions hereof and of each Supplemental Indenture are and shall be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms hereof and of each Supplemental Indenture. The Corporation further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the

Trust Estate and all of the rights of the Holders of Bonds under the Indenture and each Supplemental Indenture against all claims and demands of all persons whomsoever.

SECTION 7.04 Further Assurance. The Corporation, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, and the pledges, assignments and security interest hereby made or created or intended hereby to be so made or created, or which the Corporation may hereafter become bound to make or create.

SECTION 7.05 Corporate Existence. The Corporation shall maintain its existence as a local development corporation under the New York Not-For-Profit Corporation Law and shall not amend its certificate of incorporation in any manner that would have the effect of expanding its corporate purposes or restricting the corporate action for which the affirmative vote of an independent director is required.

SECTION 7.06 Accounts and Audits. The Corporation shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Corporation by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Corporation, shall be subject to the inspection of the Trustee, each Provider or of any Holder of a Bond or a representative of any of the foregoing duly authorized in writing. The Corporation shall cause such books and accounts to be audited annually after the end of its fiscal year by an independent certified public accounting firm selected by the Corporation. Annually within thirty (30) days after receipt by the Corporation of the report of such audit, a signed copy of such report shall be furnished to the Trustee, to each Provider and to the City. A copy of the most recently audited financial statements of the Corporation, together with a copy of the accountant's report thereon, shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

SECTION 7.07 Creation of Liens. Except as permitted hereby, the Corporation shall not create or cause to be created any lien or charge prior or equal to that of the Bonds on the Trust Estate; *provided, however*, that nothing contained herein shall prevent the Corporation from issuing bonds, notes or other obligations or otherwise incurring indebtedness so long as the charge or lien on the Trust Estate created to secure the same is not prior or equal to the charge or lien on the Trust Estate created hereby.

SECTION 7.08 Notice of Default; Enforcement of Agreements. The Corporation as soon as practicable shall give written notice to the Trustee and to each Provider of the occurrence of a default under any of the Agreements. The Corporation prior to the occurrence of a Payment Default may and, at the direction of the Holders of a majority in principal amount of the Outstanding Bonds, shall take all legally available action to cause each party to an Agreement to perform fully its obligation thereunder in the manner and at the times provided in such Agreement.

SECTION 7.09 Deposit of Certain Money in the Construction Fund. In addition to the proceeds of Bonds to be deposited in the Construction Fund, any money paid to the Corporation for the acquisition, construction, reconstruction, rehabilitation or improvement of the Project, including the proceeds of any insurance or condemnation award paid to the Corporation, shall be deposited in the appropriate subaccount within the Project Account of the Construction Fund.

SECTION 7.10 Offices for Payment and Registration of Bonds. The Corporation shall at all times maintain an office or agency in the State where Bonds may be presented for payment, which office or agency may be at or through the principal corporate trust office of the Trustee. The Corporation may, pursuant to a Supplemental Indenture, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Corporation shall at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds. The provisions of this Section shall be subject to the provisions of Section 3.01 hereof.

SECTION 7.11 Amendment of Agreements. (a) Except as otherwise provided herein, an Agreement may not be amended, changed, modified or terminated, nor shall the Corporation consent or acquiesce in any amendment, change, modification or termination of an Agreement, nor may any provision thereof be waived by the Corporation, without the consent of the Holders of Outstanding Bonds as herein provided, if such amendment, change, modification, termination or waiver (i) reduces the amount payable on any date or delays the date on which such payment is to be made, (ii) waives or surrenders any right of the Corporation or its assignor, (iii) modifies the events which constitute events of default under such Agreement or diminishes, limits or conditions the rights of the Corporation or its assignor under, or remedies which upon the occurrence of a default may be exercised by, the Corporation or its assignor under such Agreement, or (iv) adversely affects the Holders of Outstanding Bonds in any material respect.

No such amendment, change, modification, termination or waiver shall take effect unless consented to in writing by (a) the Holders of at least a majority in principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the amendment, change, modification, termination or waiver, the Holders of not less than a majority in principal amount of the Bonds of the Series so affected and then Outstanding; *provided, however,* that (i) Funded Bonds shall not be deemed to be Outstanding for purposes of any calculation of Outstanding Bonds under this Section and (ii) if such amendment, change, modification, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

(b) An Agreement may be amended, changed or modified or any provision thereof waived in any other respect without the consent of the Holders of Outstanding Bonds if the same does not adversely affect the Holders of such Bonds in any material respect, except that no amendment, change, modification or alteration of an Agreement to cure any ambiguity or defect or inconsistent provision therein or to insert such provisions clarifying matters or

questions arising thereunder as are necessary or shall be made unless such amendment, change, modification or waiver is not contrary to or inconsistent with the Agreement as theretofore in effect and unless consented to by the Trustee.

(c) No amendment, change, modification or termination of an Agreement or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel to the effect that the same will not adversely affect the exclusion of interest on any Tax Exempt Bond from gross income for purposes of federal income taxation. A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee.

(d) For the purposes of this Section, the purchasers of the Bonds of a Series, whether purchasing as underwriters upon their initial issuance, for resale upon a remarketing or reoffering of such Bonds, or otherwise, upon such purchase may consent to an amendment, change, modification, termination or waiver permitted by this Section with the same effect as a consent given by the Holder of such Bonds.

For the purposes of this Section, (i) only the Holders of TFA Supported Bonds shall be deemed to be affected by an amendment, modification, alteration or waiver of any provision of the TFA Funding Agreement, and (ii) a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or waiver of any provision of an Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration or waiver, and any such determination shall be binding and conclusive on the Corporation and all Holders of Bonds.

For the purposes of this Section, the Trustee shall be entitled conclusively to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

SECTION 7.12 Amendment of UTEP. (a) Except as otherwise provided herein, the Corporation shall not consent to or acquiesce in any amendment to the UTEP or deviation therefrom pursuant to the IDA Assignment Agreement unless either (1) the Corporation delivers to the Trustee its written certification to the effect that in the reasonable judgment of the Corporation such amendment will facilitate the further commercial development of the Project Area or (2) such amendment is consented to in writing by (A) the Holders of at least a majority in principal amount of the Bonds then Outstanding, or (B) in case less than all of the several Series of Bonds then Outstanding are adversely affected by the amendment, change, modification, termination or waiver, the Holders of not less than a majority in principal amount of the Bonds of the Series so affected and then Outstanding; *provided, however*, that (i) Funded Bonds shall not be deemed to be Outstanding for purposes of any calculation of Outstanding Bonds under this Section and (ii) if such amendment, change, modification, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain

Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

(b) For the purposes of this Section, the purchasers of the Bonds of a Series, whether purchasing as underwriters upon their initial issuance, for resale upon a remarketing or reoffering of such Bonds, or otherwise, upon such purchase may consent to an amendment, change, modification, termination or waiver permitted by this Section with the same effect as a consent given by the Holder of such Bonds.

For the purposes of this Section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or waiver of any provision of an Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration or waiver, and any such determination shall be binding and conclusive on the Corporation and all Holders of Bonds.

For the purposes of this Section, the Trustee shall be entitled conclusively to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

SECTION 7.13 Budget of Corporation Expenses. The Corporation shall prepare, not later than sixty (60) days after the date Bonds are first issued and delivered hereunder, a budget for the then current Fiscal Year of the Corporation Expenses for the balance of such Fiscal Year. At least sixty (60) days prior to the beginning of each Fiscal Year thereafter, the Corporation shall prepare a budget of the Corporation Expenses for such Fiscal Year. Each such budget shall set forth by reasonably descriptive category, both in the aggregate and by month, the Corporation Expenses projected to be payable during such Fiscal Year and during each month thereof. A budget may be amended by the Corporation from time to time during the Fiscal Year. A certified copy of each such budget and amendment thereto shall be promptly filed with the Trustee.

SECTION 7.14 Notice Regarding Interest Support Payments. The Corporation shall give each Fiscal Year, in accordance with Section 4.02 of the Support Agreement, not later than at the times specified in the Support Agreement (i) a Net Interest Obligation Notice, as such term is defined in the Support Agreement, and (ii) an Interest Deficiency Notice, each of which may be amended or modified as permitted by the Support Agreement.

SECTION 7.15 TFA Purchase Notice. The Corporation, solely for the benefit of the Holders of Outstanding TFA Supported Bonds, covenants and agrees to give such notice or notices as may be required by the TFA Funding Agreement to be given as a condition precedent to TFA's obligation to purchase promissory notes of the Corporation in such amount and

at such times as may be required to assure timely payment of the Debt Service on the Outstanding TFA Supported Bonds.

SECTION 7.16 Payment of Lawful Charges. The Corporation shall pay or take all legally available action to cause the City to pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon the Trust Estate, when the same shall become due. Except as otherwise expressly permitted hereby, the Corporation shall not create or suffer to be created any lien or charge upon the Trust Estate, except the pledge and lien created or permitted hereby.

SECTION 7.17 Assignment of PILOT Agreements. The Corporation shall promptly, but in no event more than fifteen (15) days, after a PILOT Agreement is assigned to the Corporation pursuant to the IDA Assignment Agreement assign the same to the Trustee as further security for the Corporation's obligations hereunder by appropriate instruments of transfer and assignment reasonably satisfactory to the Trustee, whereupon such PILOT Agreement and all of the assignor's rights thereunder, including but not limited to the right to payments made and to be made pursuant thereto, shall become a part of the Trust Estate.

SECTION 7.18 Amortization after Conversion Date. The Corporation shall not later than June 30th of the Fiscal Year during which the Conversion Date occurs establish and file with the Trustee a schedule of principal amortization through Sinking Fund Installments for all, but not less than all, of the Outstanding Bonds of each Series and maturity issued prior to the Conversion Date. The Sinking Fund Installments to be established shall:

- (a) with respect to the Senior Bonds of a Series, provide for the *pro rata* redemption of the Bonds of such Series and be payable during the Fiscal Year next succeeding the Conversion Date and each year thereafter, but not later than the Fiscal Year next preceding the date such Bond matures;
- (b) be payable on February 15th of each Fiscal Year, or, if in connection with any Variable Interest Rate Bond, such date is not an Interest Payment Date for such Variable Interest Rate Bond, on the Interest Payment Date next succeeding such February 15th;
- (c) be established so that each Sinking Fund Installment of a Senior Bond shall be in integral multiples of five thousand dollars (\$5,000);
- (d) be established so that the principal amount of Bonds to be redeemed each Fiscal Year through such Sinking Fund Installments shall be in amounts that produce aggregate Debt Service payable during each Fiscal Year on all Outstanding Bonds, to and including the Fiscal Year during which such Bonds mature, that is substantially equal or that declines each Fiscal Year; and
- (e) not provide for any Sinking Fund Installment of a Subordinate Bond to be scheduled to be paid prior to the last date on which any Sinking Fund Installment of a Senior Bond is scheduled to be paid.

The schedule of Sinking Fund Installments filed with the Trustee shall be accompanied by (i) a certificate of an Authorized Officer of the Corporation to the effect that such Sinking Fund Installments comply with the requirements of clauses (a), (b), (c) and (d) of this Section, and (ii) supporting schedules establishing that such Sinking Fund Installments so comply.

The Trustee shall give in the name of the Corporation notice of the Sinking Fund Installments so established by the Corporation, which notice shall (i) specify the Bonds of the Series and maturities for which Sinking Fund Installments have been established and the Sinking Fund Installments established for the Bonds of each Series and maturity and (ii) further state that failure to pay any such Sinking Fund Installment shall not constitute an event of default under this Indenture unless money was available therefore in accordance with this Indenture, but not applied to such Sinking Fund Installment. Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days after such schedule was filed with the Trustee, by first class mail, postage prepaid, to the registered owners of the Bonds affected thereby at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving notice in accordance with this paragraph, the Trustee shall certify to the Corporation that it has mailed such notice or caused such notice to be mailed in the manner required hereby. Such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any Holder of a Bond to receive such notice shall not affect the validity of the schedule of Sinking Fund Installments established by the Corporation.

The schedule of Sinking Fund Installments shall become effective upon the Trustee giving such notice and, unless none of the Bonds of a Series and maturity subject to redemption through such Sinking Fund Installments shall then be Outstanding and, subject to Section 5.06(c) hereof permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and the Corporation shall be required to pay out of for the redemption of the Bonds of such Series and maturity the amounts set forth in the schedule filed with the Trustee as the Sinking Fund Installment due on such Bond on each date set forth in such schedule as the Sinking Fund Installment payable on such date; *provided, however*, that such payments shall be required to be made only if money is available therefore in accordance with this Indenture.

SECTION 7.19 Limitations on Bonds. The Corporation shall not prior to the Conversion Date:

- (a) issue any Bond that matures prior to February 15, 2047 or on a date that is earlier than the maturity date of any then Outstanding Bond;
- (b) issue any Bond that is payable from mandatory Sinking Fund Installments, other than Sinking Fund Installments established pursuant to Section 7.18 hereof;
- (c) issue any Bond that is a Supported Bond unless either (i) the principal amount of Supported Bonds issued, after giving effect to the issuance of such Bond, but exclusive of Refunding Bonds that are Supported Bonds, does not exceed three billion dollars (\$3,000,000,000) or (ii) the City is then authorized by

appropriate resolution of its City Council, and the Support Agreement then obligates the City, to make Interest Support Payments with respect to the principal amount of all Supported Bonds that will be Outstanding after giving effect to the issuance of such Bond;

(d) issue any Senior Bonds, other than Refunding Bonds issued pursuant to Section 2.03 hereof, if after giving effect to the issuance thereof the principal amount of Senior Bonds issued would exceed three billion five hundred million dollars (\$3,500,000,000);

(e) issue any Senior Bond that is a Capital Appreciation Bond, Deferred Income Bond, Variable Interest Rate Bond or Option Bond;

(g) issue any Subordinate Bond if, after giving effect to the issuance thereof, the interest on Outstanding Subordinate Bonds payable during any Fiscal Year exceeds thirty million dollars (\$30,000,000) assuming that any Variable Interest Rate Bond bears interest at the Maximum Rate therefore; or

(h) issue a Subordinate Bond that matures prior to the latest date on which any Outstanding Senior Bond matures.

SECTION 7.20 Extension of PILOT Agreements. The Corporation shall, so long as Bonds remain Outstanding, request the NYC IDA to exercise any right to extend the term of each PILOT Agreement the NYC IDA may have under one or more PILOT Agreements between it and another party.

SECTION 7.21 MTA PILOT Payments. The Corporation shall not, so long as Bonds are Outstanding, consent to the payment of any PILOT Payments under the MTA Agreement to any person other than the Corporation.

SECTION 7.22 City's Failure to Appropriate. The Corporation shall give notice to the Trustee of a failure (i) by the Mayor to include in the expense budget submitted by the Mayor to the City Council in each fiscal year, the amount required by Section 4.06 of the Support Agreement to be included therein for the payment of Tax Equivalency Payments and Interest Support Payments to be made by the City during the City's next ensuing fiscal year, (ii) by the City duly to appropriate in its budget for a fiscal year upon its initial adoption an amount sufficient to pay the amount set forth by the Corporation in its "Net Interest Obligation Notice," as such term is defined in the Support Agreement, or duly to enact an increase in the appropriation in such budget within sixty (60) days after the Corporation submits an amendment to said Net Interest Obligation Notice increasing the amount set forth therein or (iii) by the City duly to appropriate in its budget for a fiscal year the amount the Mayor is required by Section 4.06 of the Support Agreement to include therein for payment of Tax Equivalency Payments to be made during such Fiscal Year. Such notice shall be given to the Trustee as soon as practicable after the Corporation obtains knowledge of any such failure.

SECTION 7.23 General. The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions hereof in accordance with the terms of such provisions.

Upon the date of issuance of Bonds, all conditions, acts and things required by the statutes of the State and hereby to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed.

ARTICLE VIII. CONCERNING THE TRUSTEE

SECTION 8.01 Appointment and Acceptance of Trustee. U.S. Bank, National Association, by its execution and delivery of this Indenture, does signify its acceptance of its appointment as and of the duties and obligations of Trustee and Paying Agent imposed upon it hereby.

SECTION 8.02 Appointment and Acceptance of Paying Agents. In addition to the Trustee, the Corporation may appoint one or more Paying Agents for the Bonds of any Series in the Supplemental Indenture authorizing such Bonds or in the manner provided herein or in such Supplemental Indenture or shall appoint such Paying Agent or Paying Agents prior to the authentication and delivery of the Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 8.13 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it hereby by written instrument of acceptance deposited with the Corporation and the Trustee.

SECTION 8.03 Responsibilities of Trustee and Paying Agents. The recitals of fact contained herein and in each Supplemental Indenture and in the Bonds shall be taken as the statements of the Corporation and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent makes any representations as to the validity or sufficiency hereof, of any Supplemental Indenture or of any Bonds, or in respect of the security afforded hereby or by each Supplemental Indenture, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any money paid to the Corporation or others in accordance herewith and with each Supplemental Indenture except as to the application of any money paid to it in its capacity as Trustee or Paying Agent. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of or failure to perform its duties hereunder and under each Supplemental Indenture except for its own negligence or default; *provided, however*, that neither the Trustee nor any Paying Agent shall be liable for any default based upon an action taken or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby or by any Supplemental Indenture.

The duties and obligations of the Trustee and any Paying Agent shall be determined by the express provisions hereof and of each Supplemental Indenture and neither the Trustee nor any Paying Agent shall be liable except for the performance of or failure to perform such duties and obligations as are specifically set forth herein and in each Supplemental Indenture.

SECTION 8.04 Property Held in Trust. All money and securities conveyed to or held by the Trustee, except for amounts held in the Corporation Expense Fund, at any time pursuant to the terms hereof and of each Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof and of each Supplemental Indenture.

The Trustee shall hold all money in the Corporation Expense Fund as the agent of the Corporation and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Corporation.

SECTION 8.05 Evidence on Which Fiduciaries May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine, and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel of its selection, who may or may not be of counsel to the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder and under any Supplemental Indenture, such matter (unless other evidence in respect thereof be specifically prescribed hereby) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Corporation. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof and of the Supplemental Indenture upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein and in each Supplemental Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof and of any Supplemental Indenture by the Corporation to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Corporation by an Authorized Officer.

The Trustee shall not be deemed to have notice of any event of default hereunder unless an Authorized Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such an event of default is received by the Trustee at the principal corporate trust office of the Trustee and such notice references the Bonds and this Indenture.

The Trustee may request that the Corporation deliver a certificate of an Authorized Officer of the Corporation setting forth the names of individuals and their respective titles of officers authorized at such time to take specified actions pursuant to this Indenture, which certificate may be signed by any person authorized to sign an officer's certificate, including any person specified as so authorized in any such certificate previously delivered and not superceded.

SECTION 8.06 Compensation. Unless otherwise provided, the Corporation shall pay to the Trustee and to each Paying Agent, from time to time, such

compensation as shall be agreed in writing for all services rendered by it hereunder and under the applicable Supplemental Indenture, and also all reasonable expenses, charges, counsel fees and expenses and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties hereunder and under the applicable Supplemental Indenture and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it hereunder and under the applicable Supplemental Indenture prior to any of the Bonds for which such services have been rendered. The Corporation shall indemnify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the acceptance, exercise and performance of its powers and duties hereunder and under the applicable Supplemental Indenture and which are not due to its negligence or default. None of the provisions contained herein or in any Supplemental Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. The Trustee shall not be required to take any action at the request or direction of a Provider made or given pursuant to Article XI hereof unless and until such Provider shall have indemnified and saved the Trustee harmless against any liabilities and all reasonable expenses, charges, counsel fees and expenses and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with or as a result of taking the action requested or directed by the Provider to be taken.

The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other person employed to act hereunder.

The provisions of this Section shall survive termination of this Indenture.

SECTION 8.07 Permitted Acts. The Trustee may become the owner of or may deal in Bonds as fully and with the same rights as if it were not such Trustee or a Paying Agent. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Corporation or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement hereof or of the Bonds or any Supplemental Indenture whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

SECTION 8.08 Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder and under each Supplemental Indenture by giving not less than sixty (60) days written notice to the Corporation, the City and each Provider. Written notice of such resignation shall be given by the Trustee to the registered owners of the Bonds within ten (10) days after notice is given to the Corporation. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds, at their last known addresses, if any, appearing on the registration books.

Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in Section 8.10 hereof, in which event such resignation shall take effect immediately on the appointment of such successor; *provided, however,* that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 8.10 hereof.

SECTION 8.09 Removal of Trustee. The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds, excluding any Bonds held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Corporation. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions hereof or of any Supplemental Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of the Outstanding Bonds, excluding any Bonds held by or for the account of the Corporation. The Trustee may also be removed at any time, other than during the continuance of an event of default hereunder, by the Corporation, by an instrument in writing signed and acknowledged by an Authorized Officer of the Corporation. No removal hereunder shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Corporation to the Trustee or such successor thereof, to the City and to each Provider.

SECTION 8.10 Successor Trustee. In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Corporation shall forthwith appoint a Trustee to act as Trustee and Paying Agent. Copies of any resolution of the Corporation providing for any such appointment shall be delivered by the Corporation to the Trustee so appointed, the predecessor Trustee, to each Provider and to the City. The Corporation shall give notice of any such appointment to each registered owner of a Bond. Such notice shall be sent not later than thirty (30) days after such appointment, by first class mail, postage prepaid, to each registered owner at its last known address, if any appearing on the registration books of the Corporation.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with Section 8.08 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply, at the expense of the Corporation, to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$50,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept

the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby and by each Supplemental Indenture.

SECTION 8.11 Transfer of Rights and Property. Any successor appointed under the provisions of Section 8.10 hereof shall execute, acknowledge and deliver to its predecessor, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of its predecessor hereunder and under each Supplemental Indenture, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Corporation or of such successor, and upon payment of all amounts owed to it hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions set forth herein. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation.

SECTION 8.12 Merger or Consolidation of the Trustee. Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 8.10 hereof, shall be the successor to such Trustee, without any further act, deed or conveyance.

**ARTICLE IX.
SUPPLEMENTAL INDENTURES**

SECTION 9.01 Modification and Amendment without Consent.

Notwithstanding any other provisions of this Article IX or Article X hereof, the Corporation may execute and deliver at any time or from time to time Supplemental Indentures for any one or more of the following purposes, and any such Supplemental Indenture shall become effective in accordance with its terms:

- (a) To provide for the issuance of a Series of Bonds pursuant to the provisions hereof and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;
- (b) To add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Corporation contained herein;
- (c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Corporation which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (d) To surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms hereof, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained herein;
- (e) To confirm, as further assurance, any pledge hereunder, and the subjection to any lien, claim or pledge created or to be created by the provisions hereof, of the Revenues, or any pledge of any other money, investments thereof or funds;
- (f) To modify any of the provisions hereof or of any previously adopted Supplemental Indenture in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the effective date of such Supplemental Indenture shall cease to be Outstanding, and all Bonds issued under such Indentures shall contain a specific reference to the modifications contained in such subsequent Supplemental Indenture; or
- (g) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision herein or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions hereof or of any previous Supplemental

Indenture in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders in any material respect.

SECTION 9.02 Supplemental Indentures Effective with Consent of Bondholders. The provisions hereof may also be modified or amended at any time or from time to time by a Supplemental Indenture, subject to the consent of the Bondholders in accordance with and subject to the provisions of Article X hereof, such Supplemental Indenture to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Corporation.

SECTION 9.03 General Provisions Relating to Supplemental Indentures. The Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article IX and Article X hereof. Nothing contained in this Article IX or Article X hereof shall affect or limit the rights or obligations of the Corporation to make, do, execute or deliver any Supplemental Indenture, act or other instrument pursuant to the provisions of Section 7.04 hereof or the right or obligation of the Corporation to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere herein provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Supplemental Indenture, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions hereof, is authorized or permitted hereby and is valid and binding upon the Corporation and enforceable in accordance with its terms.

The Trustee is hereby authorized to accept delivery of a certified copy of any Supplemental Indenture permitted or authorized pursuant to the provisions hereof and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions hereof.

No Supplemental Indenture changing, amending or modifying any of the rights or obligations of the Trustee shall become effective without the written consent of the Trustee.

The Corporation, as soon as practicable after a Supplemental Indenture changing, amending or modifying any provisions of this Indenture has become effective, shall give written notice thereof to each Rating Service.

ARTICLE X.
AMENDMENTS OF INDENTURE

SECTION 10.01 Powers of Amendment. Any modification or amendment hereof and of the rights and obligations of the Corporation and of the Holders of the Bonds hereunder, in any particular, may be made by a Supplemental Indenture, with the written consent given as hereinafter provided in Section 10.02 hereof, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, exclusive of Funded Bonds; *provided, however,* that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the amount or date of any Sinking Fund Installment, the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment hereof if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof.

SECTION 10.02 Consent of Bondholders. The Corporation may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.01 hereof to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after execution and delivery thereof be mailed by the Corporation to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in Section 10.01 hereof and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully executed, delivered and filed by the Corporation in accordance with the provisions hereof, is authorized or permitted hereby, and is valid and binding upon the Corporation and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter in this Section provided. Each such

consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.01 hereof. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.01 hereof shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in Section 13.01 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given to the Bondholders by the Corporation by mailing such notice to the Bondholders. The Corporation shall file with the Trustee proof of the mailing of such notice. A transcript, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice.

For the purposes of this Article X, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Corporation, may consent to a modification or amendment permitted by Section 10.01 or 10.03 hereof in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Corporation.

SECTION 10.03 Modifications by Unanimous Consent. The terms and provisions hereof and the rights and obligations of the Corporation and of the Holders of the Bonds may be modified or amended in any respect upon the execution, delivery and filing with the Trustee by the Corporation of a copy of a Supplemental Indenture certified by an Authorized Officer of the Corporation and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 10.02

SECTION 10.04 Mailing. Any provision in this Article X for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at such person's address, if any, appearing upon the registry books of the Corporation and (ii) to the Trustee.

SECTION 10.05 Exclusion of Bonds. Funded Bonds and Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of consent or other action provided for herein, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken hereunder, the Corporation shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 10.06 Notation on Bonds. Bonds delivered after the effective date of any action taken as provided in Article IX hereof or this Article X may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds so modified as, in the opinion of the Trustee and the Corporation, conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XI. DEFAULTS AND REMEDIES

SECTION 11.01 Events of Default. An event of default shall exist hereunder and under each Supplemental Indenture (herein called "event of default") if:

(a) Payment of the principal or Sinking Fund Installment of or interest on any Senior Bond shall not be made by the Corporation when the same shall become due and payable; or

(b) If no Senior Bonds are Outstanding, the Corporation shall have failed at any time to pay the principal or Sinking Fund Installment of or interest on any Subordinate Bond when the same shall have been due and payable; or

(c) With respect to a Tax Exempt Bond, there has been a Determination of Taxability; or

(d) The Corporation shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained herein or in the Bonds or in any Supplemental Indenture on the part of the Corporation to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied

shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Corporation has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(e) The Corporation shall (1) be generally not paying its debts as they become due, (2) commence a voluntary case or other proceeding seeking liquidation, reorganization, dissolution, rehabilitation or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (3) make a general assignment for the benefit of its creditors, (4) declare a moratorium or (5) take any corporate action to authorize any of the foregoing; or

(f) A trustee in bankruptcy, custodian or receiver for the Corporation or any substantial part of its property shall have been appointed and the same has not been discharged within sixty (60) days after such appointment.

SECTION 11.02 Mandatory Redemptions upon Payment Default.

Upon the happening of a Payment Default the Outstanding Bonds (other than Funded Bonds) shall be subject to mandatory redemption in accordance with Section 5.08(b) of this Indenture.

SECTION 11.03 Enforcement of Remedies; Limitations. Upon the happening and continuance of any event of default specified in Section 11.01 hereof, other than a Payment Default, then and in every such case, the Trustee may proceed, and upon the written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds or, in the case of a happening and continuance of an event of default specified in paragraph (c) of Section 11.01 hereof, upon the written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of Section 8.06 hereof), to protect and enforce its rights and the rights of the Bondholders hereunder or under any Supplemental Indenture or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained hereunder or under any Supplemental Indenture or in aid or execution of any power herein or therein granted, or for an accounting against the Corporation as if the Corporation were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights, including the enforcement of its rights and remedies, as assignee, under any Agreement assigned to it.

In the enforcement of any remedy hereunder and under each Supplemental Indenture the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Corporation for principal or interest or otherwise under any of the provisions of the Indenture or

of any Supplemental Indenture or of the Bonds, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under any Supplemental Indenture and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Corporation but solely as provided herein, in any Supplemental Indenture and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

In no event, however, may the Trustee or any Bondholder declare the principal of any Bond or the interest thereon immediately due and payable.

SECTION 11.04 Termination of Proceedings. In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, each Provider and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

SECTION 11.05 Bondholders' Direction of Proceedings. Anything herein to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or, in the case of an event of default specified in paragraph (c) of Section 11.01 hereof, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder and under each Supplemental Indenture, provided, such direction shall not be otherwise than in accordance with law and the provisions hereof and of each Supplemental Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

SECTION 11.06 Limitation of Rights of Individual Bondholders. No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than a majority in principal amount of the Outstanding Bonds or, in the case of an event of default specified in paragraph (c) of Section 11.01 hereof, the Holders of not less than a majority in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted hereby or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby

declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts hereof or for any other remedy hereunder and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision hereof, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 11.07 Actions by Trustee; Possession of Bonds by Trustee Not Required. All rights of action hereunder or under any of the Bonds secured hereby and thereby, enforceable by the Trustee, may be enforced by it without the possession of any of such Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of the Bonds to which such action relates, subject to the provisions hereof.

SECTION 11.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute; *provided, however*, that neither the Trustee nor any Bondholder may declare the principal of any Bond or the interest thereon immediately due and payable.

SECTION 11.09 Waiver and Non-Waiver of Default. No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every power and remedy given by this Article XI to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds or, in the case of a default specified in paragraph (c) of Section 11.01 hereof, the Holders of not less than a majority in principal amount of the Outstanding Bonds of the Series affected thereby, shall waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof or before the completion of the enforcement of any other remedy hereunder; *provided, however*, that no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

SECTION 11.10 Funded Bonds Excluded from Calculations. In any calculation of the principal amount of Outstanding Bonds for any purpose required or permitted by this Article XI, no Funded Bond shall be considered to be Outstanding and no Holder of a

Funded Bond may exercise any right to give any consent or direction required or permitted by this Article XI.

SECTION 11.11 Notice of Event of Default. The Trustee shall give notice of each event of default hereunder known to the Trustee to the Corporation, the City and each Provider within ten (10) days after knowledge of the occurrence thereof and to the Holders of Bonds within thirty (30) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice; *provided, however,* that, except in the case of default in the payment of the principal or Redemption Price of or interest on any of the Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds. In the case of the Holders of the Bonds, each such notice of event of default shall be given by the Trustee by mailing written notice thereof to all registered Holders of Bonds, as the names and addresses of such Holders appear on the books for registration and transfer of Bonds as kept by the Trustee.

ARTICLE XII. DEFEASANCE

SECTION 12.01 Defeasance. (a) If the Corporation shall pay or cause to be paid to the Holders of Bonds of a Series the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, herein, and in the applicable Supplemental Indenture, then the pledge of the Trust Estate and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Corporation, and all money or investments thereof held by it pursuant hereto and to the applicable Supplemental Indenture which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: First, to each Provider the Provider Payments which have not been repaid, *pro rata*, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Corporation. Such money or investments thereof so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created hereby.

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV hereof notice of redemption on said date of such Bonds;

(ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient in the judgment of a firm of independent certified public accountants to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be;

(iii) in the event said Bonds are not to be redeemed within the next succeeding sixty (60) days, the Corporation shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds;

(iv) in the event said Bonds do not then bear interest at a stated rate per annum to their respective maturity dates or are subject to mandatory or optional tender, the Corporation shall have delivered Rating Confirmations to the Trustee; and

(v) the Corporation shall have delivered to the Trustee an opinion of Bond Counsel to the effect that said Bonds having been deemed to have been paid as provided in this Section would not (A) cause said Bonds to be considered to have been "reissued" for purposes of Section 1001 of the Code and (B) adversely affect the exclusion of interest on any Tax Exempt Bond from gross income for purposes of federal income taxation.

The Corporation shall give written notice to the Trustee of its selection of the Series and maturity payment of which shall be made in accordance with this Section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in Section 4.04 hereof. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; *provided, however,* that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date hereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in

excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: First, to each Provider the Provider Payments which have not been repaid, *pro rata*, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Corporation. The money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the Trustee shall pay the amount of such excess as follows: First, to each Provider the Provider Payments which have not been repaid, *pro rata*, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Corporation. The money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(d) Option Bonds shall be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01 only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this Section 12.01, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Corporation, pay the amount of such excess as follows: first, to each Provider the Provider Payments which have not been repaid, *pro rata*, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Corporation. The money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(e) Anything herein to the contrary notwithstanding, any money held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money was held by the Trustee or Paying Agent at such date,

or for one (1) year after the date of deposit of such money if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said money is held was due and payable, shall, at the written request of the Corporation, be repaid by the Trustee or Paying Agent to the Corporation as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Corporation for the payment of such Bonds.

ARTICLE XIII.
EXECUTION OF INSTRUMENTS BY BOND HOLDERS
AND PROOF OF OWNERSHIP OF BONDS

SECTION 13.01 Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent or other instrument which the Indenture may require or permit to be signed and executed by a Holder or Holders of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds in person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made in the manner set forth below, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The corporation of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Corporation or the Trustee in accordance therewith.

**ARTICLE XIV.
MISCELLANEOUS**

SECTION 14.01 Preservation and Inspection of Documents. All documents received by the Trustee from the Corporation or from Bondholders under the provisions hereof or of any Supplemental Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation, the City, any Bondholder and their agents and their representatives, any of whom may make copies thereof; *provided, however,* that with respect to inspection by a Bondholder a written request of such Bondholder must have been received by the Trustee at least five (5) Business Days prior to the date of inspection.

The Trustee shall maintain such records as a Provider shall reasonably request with respect to matters relating to such Provider.

SECTION 14.02 Money and Funds Held for Particular Bonds. The amounts held by the Trustee or any Paying Agent for the payment of the principal or Redemption Price of and interest on the Bonds due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds entitled thereto, and for the purposes hereof such principal or Redemption Price of and interest on such Bonds, due after such date thereof, shall no longer be considered to be unpaid.

SECTION 14.03 Cancellation of Bonds. The Trustee or any Paying Agent shall forthwith cancel all Bonds which have been redeemed or paid by it and shall dispose of such Bonds in accordance with its customary procedures. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

SECTION 14.04 No Recourse under Indenture or on the Bonds. All covenants, stipulations, promises, agreements and obligations of the Corporation contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any member, officer or employee of the Corporation, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claims based thereon, hereon or on the Supplemental Indenture against any member, officer or employee of the Corporation or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

SECTION 14.05 Severability of Invalid Provision. If any one or more of the covenants, stipulations, promises, agreements and obligations provided herein or in any Supplemental Indenture on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements or obligation or obligations shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of such Supplemental Indenture or of the Bonds.

SECTION 14.06 Parties of Interest. Nothing herein or in any Supplemental Indenture adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Corporation, the Trustee, the Paying Agents, each Provider and the Holders of the Bonds any rights, remedies or claims hereunder or by reason hereof or of any Supplemental Indenture or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements herein or in any Supplemental Indenture contained by or on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, the Trustee, the Paying Agents, each Provider and the Holders from time to time of the Bonds.

SECTION 14.07 Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds. (a) For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an "event of default", as provided in Section 11.02 hereof, the then current Accreted Value of such Bond shall be deemed to be its principal amount. In computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Corporation, the City or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the Accreted Value of such Bond as at the immediately preceding Valuation Date shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to Section 11.02 hereof, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

(b) For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an "event of default," as provided in Section 11.02 of the Indenture, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. In computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Corporation or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the Appreciated Value of such Bond as at the immediately preceding Valuation Date shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to Section 11.02 hereof, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

SECTION 14.08 Notice to Rating Services. For so long as the Bonds shall remain Outstanding, the Corporation shall give notice to each Rating Service, in the manner notices are required by Section 14.09 hereof to be given, of the following:

- (i) change of Trustee or a Remarketing Agent;
- (ii) defeasance, mandatory tender, acceleration, redemption and Conversion of Bonds;
- (iii) the substitution, extension and expiration of a Credit Facility or Liquidity Facility; and
- (iv) material changes to the Indenture, the Agreement, a Credit Facility or Liquidity Facility or a reimbursement or similar agreement relating to such Credit Facility or Liquidity Facility.

Any such notice given to S&P shall be addressed to Standard & Poor's Rating Services, 55 Water Street, 38th Floor, New York, New York 10041, to the attention of the "Municipal Structured Group" or to such other address as S&P shall designate.

SECTION 14.09 Notices. Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto or to any Supplemental Indenture shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Corporation, to it to the attention of the Corporation's President with a copy to the Corporation's Secretary, at 75 Park Place, New York, New York 10007; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the address of such principal corporate trust office; in the case of the City, addressed to it to the attention of the City's Director of Management and Budget, at 75 Park Place, New York, New York 10007, with a copy to (i) the City's Corporation Counsel, at 100 Church Street, New York, New York 10007, (ii) the City's Deputy Mayor for Administration, at City Hall, New York, New York 10007 and (iii) the City's Commissioner of Citywide Administrative Services, at 17th Floor, Municipal Building, New York, New York 10007; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons. For purposes of this Section, a notice, direction or other instrument required to be given in writing shall be properly given if sent by telephonic facsimile or electronically to the telefax or electronic address designated by the person to whom the same is to be given.

SECTION 14.10 Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

SECTION 14.11 Governing Laws. The Indenture shall be governed by and construed in accordance with the laws of the State.

SECTION 14.12 Signatures and Counterparts. This Indenture and each Supplemental Indenture may be executed and delivered in any number of counterparts, each of

which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Indenture as of the date first written above.

HUDSON YARDS INFRASTRUCTURE CORPORATION

By: 
Name: Alan L. Anders
Title: President

**U.S. BANK, NATIONAL ASSOCIATION,
as Trustee**

By: 
Name: David Massa
Title: Vice President

FORM OF
PROJECT COST REQUISITION

[NAME AND ADDRESS OF TRUSTEE]

Re: Fiscal [INSERT SERIES YEAR] Series Bonds — Project Costs

Ladies and Gentlemen:

In connection with the Construction Fund established under a Trust Indenture dated as of July 1, 2006 (the "Indenture") by and between the Hudson Yards Infrastructure Corporation (the "Corporation") and [NAME OF TRUSTEE], as Trustee, as may be amended and supplemented to the date hereof, in connection with the Corporation's Senior Revenue Bonds (Hudson Yards Project), Fiscal [INSERT SERIES YEAR] Series [INSERT SERIES DESIGNATION], the undersigned Authorized Officer of the Corporation hereby requests disbursement from each of the respective accounts within the Construction Fund stated below to each of the following payees in the respective amounts and for the respective purposes set forth below

[INSERT NAME OF EACH PAYEE, THE STATED PURPOSE(S) IN TERMS SUFFICIENT FOR IDENTIFICATION, AND THE RESPECTIVE STATED \$ AMOUNT AND THE ACCOUNT WITHIN THE CONSTRUCTION FUND FROM WHICH PAYMENT IS TO BE MADE].

Such purpose stated above constitutes a proper purpose for which money in the Construction Fund may be applied and has not been the basis of any other previous withdrawal from the Construction Fund.

Capitalized terms used but not defined herein have the meaning set forth in the Indenture.

HUDSON YARDS INFRASTRUCTURE
CORPORATION

Dated: _____

Authorized Officer
[REQUIRED COUNTERSIGNER]

Dated: _____

Authorized Officer



PROJECT DESCRIPTIONS

PUBLIC AMENITIES

The Public Amenities include the construction of the first phase of a system of parks, public open spaces, and streets in the Project Area, including the first portion of a mid-block boulevard and park between Tenth and Eleventh Avenues, and between West 33rd Street and West 36th Street.

At the discretion of the Corporation, in the future the Public Amenities may also include additional portions of the mid-block boulevard and park north of West 36th Street, as well as a below-grade parking garage to be located beneath the mid-block boulevard and park between West 34th Street and West 36th Streets from Tenth to Eleventh Avenues.

SUBWAY EXTENSION

The No. 7 subway line will be extended approximately two miles from its current terminus on West 41st Street between Seventh and Eighth Avenues westward under West 41st Street to Eleventh Avenue and then southward under Eleventh Avenue. The Subway Extension includes the construction of a terminal station at West 34th Street and Eleventh Avenue and the shell of an intermediate station at Tenth Avenue and West 41st Street. The subway tracks will extend beyond the terminal station to West 25th Street and Eleventh Avenue to permit the storage of six subway trains to enhance operational reliability.

At the discretion of the Corporation, in the future the Project could include the completion of the intermediate station at Tenth Avenue and West 41st Street, including the platform, systems, entrances/exits, and finishings (tiles, lights, etc.)

EXHIBIT C

FORM OF TFA FUNDING AGREEMENT

[\$750,000,000] FUNDING AGREEMENT

between

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

and

HUDSON YARDS INFRASTRUCTURE CORPORATION

dated

as of _____, 20__



TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.1.	Definitions.....	1
Section 1.2.	Rules of Construction	3

ARTICLE II

THE COMMITMENT; FEES

Section 2.1.	Commitment to Purchase Notes.....	4
Section 2.2.	Nature of TFA Obligation.....	4
Section 2.3.	Corporation Funds Set Aside.....	4
Section 2.4.	TFA Purchase.....	4
Section 2.5.	Fees.....	5
Section 2.6.	Rights of TFA.....	5
Section 2.7.	TFA Credit and Liquidity.....	5

ARTICLE III

PURCHASED NOTES

Section 3.1.	Payment of Interest	7
Section 3.2.	Maturity of Notes.....	7
Section 3.3.	TFA Calculation.....	7
Section 3.4.	Application of Payments.....	7
Section 3.5.	Source of Corporation's Payments	7

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1.	Existence and Standing.....	7
Section 4.2.	Authorization and Validity	7
Section 4.3.	Compliance with Laws and Contracts	8
Section 4.4.	Litigation.....	8

ARTICLE V

COVENANTS OF THE CORPORATION

Section 5.1.	Affirmative Covenants.....	8
Section 5.2.	Negative Covenants	9

ARTICLE VI

MISCELLANEOUS

Section 6.1.	Other Matters	9
Section 6.2.	Closing Documents	9
Section 6.3.	Fees, Expenses, Documentary Taxes	9
Section 6.4.	Term of the Agreement	9
Section 6.5.	Notices; Actions	9
Section 6.6.	Participations	10
Section 6.7.	Benefits of this Agreement	10
Section 6.8.	Entire Agreement	11
Section 6.9.	Counterparts	11
Exhibit A	- Form of Grid Note	
Exhibit B	- Notice of Corporation Funds Set Aside	
Exhibit C	- Litigation	
Exhibit D	- Supplemental Opinion of Bond Counsel	
Exhibit E	- Opinion of Counsel to the TFA	
Exhibit F	- Notice of Impediment	

\$750,000,000 FUNDING AGREEMENT (the "Agreement"), dated as of _____, 20 __, between the New York City Transitional Finance Authority (the "TFA"), a public benefit corporation of the State of New York (the "State"), and the Hudson Yards Infrastructure Corporation, a local development corporation of the State (the "Corporation").

WITNESSETH:

WHEREAS, the Council of The City of New York (the "City"), in its Preconsidered Resolution No. 0760-2005, adopted January 19, 2005, approved the TFA's support of not more than \$750 million of the Corporation's indebtedness;

WHEREAS, the Corporation proposes to issue not more than \$750 million of its variable rate demand bonds (the "Variable Rate Bonds") subject to the terms of its Trust Indenture dated as of December 1, 2006 (the "Corporation Indenture"), which bonds will be backed by banks relying, to the extent permitted hereby, on the TFA's support;

WHEREAS, the Corporation may request the TFA to support some portion (the "Fixed Rate Bonds") of the Corporation's fixed rate bonds, within the same \$750 million limit;

WHEREAS, the TFA's credit support is to be implemented through the TFA's purchase of notes issued by the Corporation pursuant to this Agreement;

WHEREAS, the TFA is authorized to enter into this Agreement pursuant to its Amended and Restated Original Indenture dated November 16, 2006 (the "Original Indenture"), and as supplemented by the Resolution and [Hudson Yards] Supplemental Indenture dated __, 20 __ (the "TFA Indenture");

WHEREAS, the TFA and the Corporation anticipate mutual benefits from the successful marketing of obligations of the Corporation and the development of the Hudson Yards area for the enhancement of the economy of the City; and

WHEREAS, the TFA and the Corporation desire to enter into this Agreement to provide for the foregoing.

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to terms defined in the TFA Indenture or elsewhere herein, the following terms, as used herein, have the following meanings:

"Agent" means _____ or such other Person designated by the Corporation [Bank?] to perform any or all of the duties of the Agent hereunder.

"Amount Subject to Limit" means the sum of unpaid principal of (a) outstanding Bonds, (b) Bank Notes incurred to pay principal of Variable Rate Bonds, and (c) Purchased Notes issued to pay principal of (i) Bonds or (ii) Bank Notes to the extent of the preceding clause (b).

"Bank" means each provider of credit [or liquidity] support for the Variable Rate Bonds, if and to the extent such provider is designated a Beneficiary hereof by the Corporation, and its permitted successors and assigns.

"Bank Notes" means the Corporation's obligations to the Bank pursuant to the Reimbursement Agreement, whether or not in the form of notes or constituting "Bank Notes" as defined in the Reimbursement Agreement.

"Beneficiaries" means the beneficiaries of the TFA's obligations hereunder, including the Corporation, the Bank, the holders of the Bonds and such other Beneficiaries as may be designated pursuant hereto and to the TFA Indenture.

"Bonds" means the Corporation's bonds supported by the TFA pursuant hereto, specifically the Fixed Rate Bonds and the Variable Rate Bonds.

"Business Day" means any day (other than a Saturday or a Sunday or a day on which the New York Stock Exchange is closed) on which the City and commercial banks therein are generally open.

"Closing Date" means the date on which Bonds are initially issued, not later than _____, 20__.

"Commitment Period" means the period beginning on the Closing Date and ending on the twentieth anniversary thereof, or on such later date as may be confirmed to the Corporation by a certified copy of a resolution of the directors of the TFA.

"Dollar Limit" means \$750 million or such larger amount as may be confirmed to the Corporation by a certified copy of a resolution adopted unanimously by the Directors of the TFA.

The word "including" means "including without limitation."

"Notes" means obligations of the Corporation eligible for purchase by the TFA hereunder (which may be evidenced by a grid note substantially in the form of Exhibit A).

"Notice of Corporation Funds Set Aside" means a notice substantially in the form of Exhibit B.

"Numerator" means the greater of (a) the Personal Income Tax for the most recent TFA fiscal year ended at least two months before the date of calculation, and (b) the lesser of (i) the Tax Revenues for the same period and (ii) 150% of maximum annual debt service on the Bonds to be Outstanding immediately following the date of calculation, all as defined in the TFA Indenture.

The word “or” is used in its inclusive sense.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a governmental or a political subdivision or an agency or instrumentality thereof.

“Purchase Price” means the aggregate principal amount of Notes to be purchased on any TFA Purchase Date.

“Purchased Note Rate” means the Prime Rate announced from time to time by the trustee bank under the TFA Indenture, plus 3%, but never to exceed 25%, calculated on a basis of a year consisting of 360 days and twelve 30-day months.

“Purchased Notes” means Notes purchased and held by the TFA hereunder.

“Reimbursement Agreement” means each reimbursement agreement between the Corporation and a Bank, which shall be substantially in the form of _____ with all insertions and changes that are consented to by the TFA, which consent shall not be unreasonably withheld.

“TFA Purchase Date” means a Business Day during the Commitment Period upon which the TFA is obligated to purchase Bonds or Bank Notes under Section 2.4.

Section 1.2. Rules of Construction. In this Agreement, unless the context indicates otherwise:

- (a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.
- (b) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons, and shall include permitted successors and assigns.
- (c) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Agreement. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.
- (d) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

- (e) In the event that any provision of this Agreement shall be held to be invalid in any circumstance, such invalidity shall not affect any other provisions or circumstances.
- (f) This Agreement shall be governed by the domestic law of the State.
- (g) All times of day are New York City time.

ARTICLE II

THE COMMITMENT; FEES

Section 2.1. Commitment to Purchase Notes. The TFA agrees, on the terms and conditions in this Agreement, to provide for the payment of the Bonds or Bank Notes by purchasing Notes for investment, from its own funds for its own account, from time to time at the Purchase Price.

Section 2.2. Nature of TFA Obligation.

(a) Priority. The TFA shall apply Tax Revenues available under Section 509(a) *fourth* of the Original Indenture to the performance of its obligations hereunder.

(b) TFA Obligations Unconditional. The obligation of the TFA to purchase Notes and to perform and observe the other agreements on its part herein from the sources specified in Section 2.2(a) will be absolute and unconditional and will not be subject to diminution by set-off, counterclaim, abatement, or otherwise. Until the TFA's obligations to the Beneficiaries have been performed, the TFA (i) will not suspend or discontinue any payments required to be made hereunder, except to the extent they have been prepaid, (ii) will perform and observe all its other agreements contained herein, and (iii) will not terminate this Agreement for any cause including, without limitation, any acts or circumstances that may constitute failure of the consideration, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either, or any failure of the Corporation to make any payment or perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with this Agreement.

(c) No Personal Liability. Neither the Directors of the TFA nor any person executing this Agreement on behalf of the TFA shall be liable personally thereon or be subject to any personal liability or accountability solely by reason hereof.

Section 2.3. Corporation Funds Set Aside. The Corporation shall give the TFA notice, by telephone, telecopy or similar communication, promptly confirmed by a written Notice of Corporation Funds Set Aside, at least 5 Business Days prior to the due date of Bank Notes, or at least ___ days prior to the due date of Fixed Rate Bonds, for which the Corporation has set its own funds aside.

Section 2.4. TFA Purchase.

(a) Subject to Sections 2.3 and 2.4(d) and to the Corporation's performance of Sections 5.1(b) and 5.2(a), the TFA shall purchase Notes to permit the Corporation's payment of

all Fixed Rate Bonds and Bank Notes due during the Commitment Period, as follows: Subject to the availability of Revenues described in Section 2.2(a) the TFA shall by 2:30 p.m. on each TFA Purchase Date, pay the Purchase Price to the order of the Corporation or the Agent, in immediately available funds. As soon as money becomes available from the TFA on the TFA Purchase Date, the Corporation shall be conclusively deemed to have sold its corresponding Notes to the TFA at the Purchase Price.

(b) Not later than the last TFA Purchase Date of the Commitment Period, the TFA shall purchase Notes in an amount sufficient to provide for the timely payment of all outstanding Bonds and Bank Notes.

(c) The TFA shall also purchase Bonds or Bank Notes as provided in Section 6.7.

(d) Unless the Purchase Price is less than \$ _____, each TFA Purchase Date shall be the first Business Day of a February, May, August or November; and the cumulative total Purchase Price [of Bank Notes] in a calendar quarter shall not exceed \$ _____.

Section 2.5. Fees.

(a) Initial Fee. At the delivery of this Agreement, the Corporation shall pay the TFA an initial fee of \$ _____, plus an amount not exceeding \$ _____ to cover the TFA's legal expenses, rating fees and other documented costs related to this Agreement.

(b) Commitment Fee. At the Closing Date, the Corporation shall pay to the TFA a commitment fee of \$ _____, against which shall be credited 0.8% of the initial fee (not including expenses) for each month between the Closing Date and _____, 20__.

Section 2.6. Rights of TFA. Upon purchasing Purchased Notes, the TFA shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Noteholders, and shall be recognized by the Corporation as the true and lawful owner (or, in the case of book-entry Notes, beneficial owner) of the Purchased Notes, free from any claims, liens, security interests, equitable interests and other interests of the Corporation, except as such interests might exist under the terms of the Purchased Notes with respect to all owners (or, in the case of book-entry Notes, beneficial owners). The Corporation shall cause the TFA's ownership interests in the Purchased Notes to be perfected and evidenced by delivery, registration, book entry or other method in effect from time to time.

Section 2.7. TFA Credit and Liquidity.

(a) Prior to incurring obligations payable at the *third* level of priority under Section 509(a) of the Original Indenture, the TFA will comply with Section 307 thereof, or not secure such obligations by any of the Tax Revenues, or deliver to the Corporation and the Agent/Bank:

(i) a certificate by the Director of Management and Budget of the City setting forth items (a) and (b)(i) of the Numerator; and

(ii) an Officer's Certificate of the TFA setting forth:

(x) item (b)(ii) of the Numerator,

(y) the sum of \$1.32 billion and the aggregate annual amount payable at such *third* level, including such new obligations, for each TFA fiscal year such new obligations will be in effect, and

(z) that the Numerator calculated from clauses (a) (i) and (a)(ii)(x) will be at least 1.5 times the sum set forth in clause (a) (ii)(y) for each such TFA fiscal year.

(b) Prior to incurring obligations payable on a parity with its obligations hereunder, the TFA will deliver to the Bank:

(i) a certificate by the Director of Management and Budget of the City setting forth items (a) and (b)(i) of the Numerator; and

(ii) an Officer's Certificate of the TFA setting forth:

(x) item (b)(ii) of the Numerator,

(y) the sum of \$1.32 billion, the aggregate annual amount then permitted at the *third* level and the maximum aggregate annual amount payable on a parity herewith, including such new obligations, for each TFA fiscal year such new obligations will be in effect, and

(z) that the Numerator calculated from clauses (b) (i) and (b)(ii)(x) will be at least 1.1 times the sum set forth in clause (b) (ii)(y) for each such TFA fiscal year.

(c) For purposes of this Section, the annual amount payable on TFA notes shall be calculated in accordance with Section 307(d)(ii)(x) of the Original Indenture.

(d) Subject to priorities established pursuant to TFA Indenture, the TFA shall direct its Trustee (i) to pay the Purchase Price for the account of the TFA on each TFA Purchase Date, and (ii) at the beginning of each Collection Quarter, or earlier if necessary in the judgment of the TFA, to begin to transfer Tax Revenues to a separate trust account (the "HY Funding Account") on a parity with other transfers at the *fourth* level of priority, except for transfers expressly subordinated hereto, and to continue such transfers until the amount in the HY Funding Account is equal to the aggregate Purchase Price due before the end of the related Payment Period. Money in the HY Funding Account not required for purchases in such period shall be transferred to the TFA's Tax Revenue Subaccount.

(e) The TFA will give the Corporation and the Agent/Bank (i) copies of each Officer's Certificate under Section 604(c) of the Original Indenture and timely notice of any changes in the ratings of TFA bonds, any Events of Default under the TFA Indenture or the incurrence of any obligations (excluding Operating Expenses) senior to or on a parity with its obligations hereunder, and (ii) upon request, an updated Exhibit C.

ARTICLE III

PURCHASED NOTES

Section 3.1. Payment of Interest. Any Note purchased by the TFA pursuant to this Agreement shall bear interest at the Purchased Note Rate for the period commencing on the TFA Purchase Date and continuing until such Note is paid in full. Interest shall compound and be added to principal each January 15 and July 15 and shall be payable (a) at maturity, (b) upon prepayment (to the extent of interest accrued on the principal being prepaid) and (c) at the Corporation's option.

Section 3.2. Maturity of Notes. Each Note shall mature on the 20th anniversary of its Purchase Date and shall be prepayable, without premium, at the Corporation's option.

Section 3.3. TFA Calculation. The TFA will calculate the principal balance of Notes (a) on each TFA Purchase Date, (b) on each January 15 or July 15 to reflect any interest to be added on that date to the principal balance pursuant to Section 3.1, and (c) on each date on which principal is paid by the Corporation in accordance with Section 3.4. Any calculation by the TFA of the principal balance shall be conclusive absent manifest error. Upon each calculation of the principal balance, the TFA shall make applicable entries on the grid note and provide the Corporation with a copy of such grid note as revised.

Section 3.4. Application of Payments. All money available to pay the Notes shall be applied *first* to accrued interest, *second* to interest theretofore added to principal and *third* to Purchase Price.

Section 3.5. Source of Corporation's Payments. The Corporation shall pay amounts due hereunder (including principal of and interest on the Purchased Notes) from the Surplus Fund under the Corporation Indenture.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each of the Corporation and the TFA represents and warrants with respect to itself as of the Closing Date and (except for Section 4.4) as of each issuance date of Bonds, that:

Section 4.1. Existence and Standing. It is duly organized and validly existing under the laws of the State. It has performed all actions required to be performed by it with the State and other governmental entities having jurisdiction over it and no proceeding is pending to terminate its existence. It has the necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to conduct its business.

Section 4.2. Authorization and Validity. Its execution and delivery of this Agreement have been duly authorized by proper corporate proceedings, no further approvals, authorizations or consents are required by law or otherwise and this Agreement constitutes its valid, binding and enforceable obligation.

Section 4.3. Compliance with Laws and Contracts. Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor compliance with the provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it, its By-laws or any resolution, instrument or agreement to which it is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default under or result in the creation or imposition of any lien pursuant to the terms of any such resolution, instrument or agreement.

Section 4.4. Litigation. Except as set forth in Exhibit C, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to its knowledge, threatened against or affecting it: (a) wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Agreement, or any agreement or instrument to which it is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement, or (ii) its property, assets, operations or condition, financial or otherwise, taken as a whole, or its ability to perform its obligations hereunder; or (b) which in any way contests its existence, organization or powers or the titles of its officers to their respective offices.

ARTICLE V

COVENANTS OF THE CORPORATION

Section 5.1. Affirmative Covenants. During the term of this Agreement, and until the obligations of the Corporation to the TFA hereunder are paid in full, the Corporation (or, where appropriate, the Agent on its behalf) shall:

(a) Notice of Issuance. Give the TFA timely notice of each issuance of Bonds (with an updated Exhibit C) or Bank Notes and a copy of each related indenture, Reimbursement Agreement or supplement thereto or notice thereunder, each offering circular and each approving opinion (substantially in the form delivered at the Closing Date or in such other form as the TFA may agree to accept), with such reliance letters and other documents as may be necessary to fully specify the TFA's responsibilities hereunder with respect to such Bonds or Bank Notes.

(b) Amount Subject to Limit; Bonds and Bank Notes Payable. Keep on file with the TFA at all times an accurate and current schedule of (i) the Amount Subject to Limit and all components thereof and (ii) the Bonds and Bank Notes payable during the Commitment Period.

(c) Use of Proceeds. Use the proceeds received by it from purchases of Notes made hereunder solely to make payments in respect of the related Bonds or Bank Notes.

(d) Notices Regarding Appointees. Notify the TFA prior to the appointment by the Corporation of any Person other than _____ as Agent.

(e) Financial Statements. Deliver to the TFA within 185 days after the end of each fiscal year of the Corporation the audited financial statements of the Corporation, and the auditors' report with respect thereto.

(f) Ratings. Deliver to the TFA notice of any change in the rating of any of the Corporation's obligations or the outlook for the rating as promulgated by any nationally recognized statistical rating organization within ten days of the Corporation's acquiring knowledge, in any fashion, of such rating change.

(g) Notice of Specified Events. Provide to the TFA, in a timely manner, written notice of the occurrence of any of the events listed in Section 14.08 of the Corporation Indenture.

Section 5.2. Negative Covenants. The Corporation shall not:

(a) Bonds. Issue Bonds if the Amount Subject to Limit would thereupon exceed the Dollar Limit.

(b) Offering Circulars. Refer to the TFA in any offering circular or make any changes in reference to the TFA in any offering circular over the objection of an Authorized Officer of the TFA, which objection shall not be unreasonable based upon customary business practices at the time of objection.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Other Matters. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the permitted successors and assigns of the parties hereto, except for the Corporation's assignment to the Bank of the Corporation's right to receive the Purchase Price, neither party may assign or transfer any of its interest hereunder without the prior written consent of the other party, and any purported assignment or transfer in violation of this Section 6.1 shall be ineffective.

Section 6.2. Closing Documents. The TFA and the Corporation shall receive on the date of delivery of this Agreement legal opinions substantially in the respective forms of Exhibits D and E hereto.

Section 6.3. Fees, Expenses, Documentary Taxes. The Corporation shall pay (a) the expenses, fees and costs specified in Section 2.6(a) and thereafter (b) all reasonable fees and out-of-pocket expenses of the TFA in connection with this transaction, administration of this Agreement, any waiver or consent hereunder or any amendment hereof, including the fees of attorneys (who may be employees of the TFA).

Section 6.4. Term of the Agreement. The term of this Agreement shall begin on its date of delivery, and end on the later of (a) _____, 20___, and (b) the date the Amount Subject to Limit is zero and all obligations of the Corporation to the TFA hereunder are satisfied.

Section 6.5. Notices; Actions. Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto or referred to herein shall be deemed to have been given (i) in the case of notice by letter, when delivered by hand or three days after the same is deposited in the mails, first class prepaid and (ii) in the case of notice

by telecopier, when sent, receipt confirmed, addressed to them as follows or at such other address as any of the parties hereto may designate by written notice to the other parties hereto:

TFA: New York City Transitional Finance Authority
75 Park Place
New York, N.Y. 10007
Attention: General Counsel
Telephone: (212) 788-5880
Telecopy: (212) 788-9197

Corporation: Hudson Yards Infrastructure Corporation
75 Park Place
New York, N.Y. 10007
Attention: General Counsel
Telephone: (212) 788-5880
Telecopy: (212) 788-9197

Agent:

Any consent, approval, acceptance or other action hereunder by (a) the TFA may be evidenced by an Officer's Certificate pursuant to the TFA Indenture, or (b) the Corporation may be evidenced by Written Notice from an Authorized Officer of the Corporation (as defined in the Corporation Indenture).

Section 6.6. Participations. With the prior written consent of the Corporation, which shall not be withheld unreasonably, the TFA may grant a participation to any financial institution in all or any part of, or any interest (undivided or divided) in, the TFA's rights and benefits under this Agreement and any Purchased Notes; in which event the TFA shall remain responsible for the performance of its obligations hereunder and the Corporation shall continue to deal solely and directly with the TFA hereunder. Any agreement pursuant to which the TFA may grant a participating interest shall provide that the TFA shall retain the sole right and responsibility to enforce the obligations of the Corporation hereunder including the right to approve any amendment, modification or waiver of any provision of this Agreement. The TFA may disclose to any participants without the consent of or notice to the Corporation such information as the TFA may deem necessary with respect to the Notes, the Bonds, the Bank Notes or this Agreement.

Section 6.7. Benefits of this Agreement. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, except that the agreements of the TFA to purchase Notes and of the Corporation to apply the Purchase Price to Bonds or Bank Notes are made for the benefit of the Beneficiaries (who are also Beneficiaries as defined in the TFA Indenture). Without limiting the generality of the foregoing, the TFA agrees that in the event of any impediment to

such purchase or application on a TFA Purchase Date, as evidenced by a notice substantially in the form of Exhibit F, the TFA shall purchase Bank Notes or Bonds directly from the Bank or the holders of Bonds through their representative at the Purchase Price.

Section 6.8. Entire Agreement. This Agreement shall constitute the entire agreement and understanding between the parties hereto with respect to the matters set forth herein and shall supersede any and all prior agreements and understandings relating to the subject matter hereof.

Section 6.9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this \$750,000,000 Funding Agreement to be duly executed by their duly authorized officers as of the date first above written.

NEW YORK CITY TRANSITIONAL
FINANCE AUTHORITY

By: _____
Name: _____
Title: _____

HUDSON YARDS INFRASTRUCTURE
CORPORATION

By: _____
Name: _____
Title: _____

FORM OF GRID NOTE

[Terms to be added]

<u>Date</u>	<u>Applicable Purchase Date</u>	<u>Purchase Price</u>	<u>Interest Accrued</u>	<u>Interest Paid</u>	<u>Interest Added to Principal</u>	<u>Interest Added to Principal Paid</u>	<u>Purchase Price Repaid</u>	<u>Principal Balance</u>
-------------	---	---------------------------	-----------------------------	--------------------------	--	---	--------------------------------------	------------------------------



NOTICE OF CORPORATION FUNDS SET ASIDE

The undersigned, a duly authorized officer of Hudson Yards Infrastructure Corporation (the "Corporation"), hereby certifies to the New York City Transitional Finance Authority (the "TFA"), in accordance with the Funding Agreement (the "Funding Agreement"), dated as of _____, 20__, between the Corporation and the TFA (undefined terms herein having the meanings ascribed thereto in the Funding Agreement), that:

1. Bank Notes [Fixed Rate Bonds] are due on _____, 200__, in the total [principal] amount of \$_____. [The City of New York has provided for the interest on such Fixed Rate Bonds.]

2. The Corporation has set aside funds to pay \$_____ of such total [principal] amount, leaving a balance of \$_____ to be paid through the TFA's purchase of Notes.

IN WITNESS WHEREOF, the Corporation has executed and delivered this Certificate on _____, 20__.

Hudson Yards Infrastructure Corporation

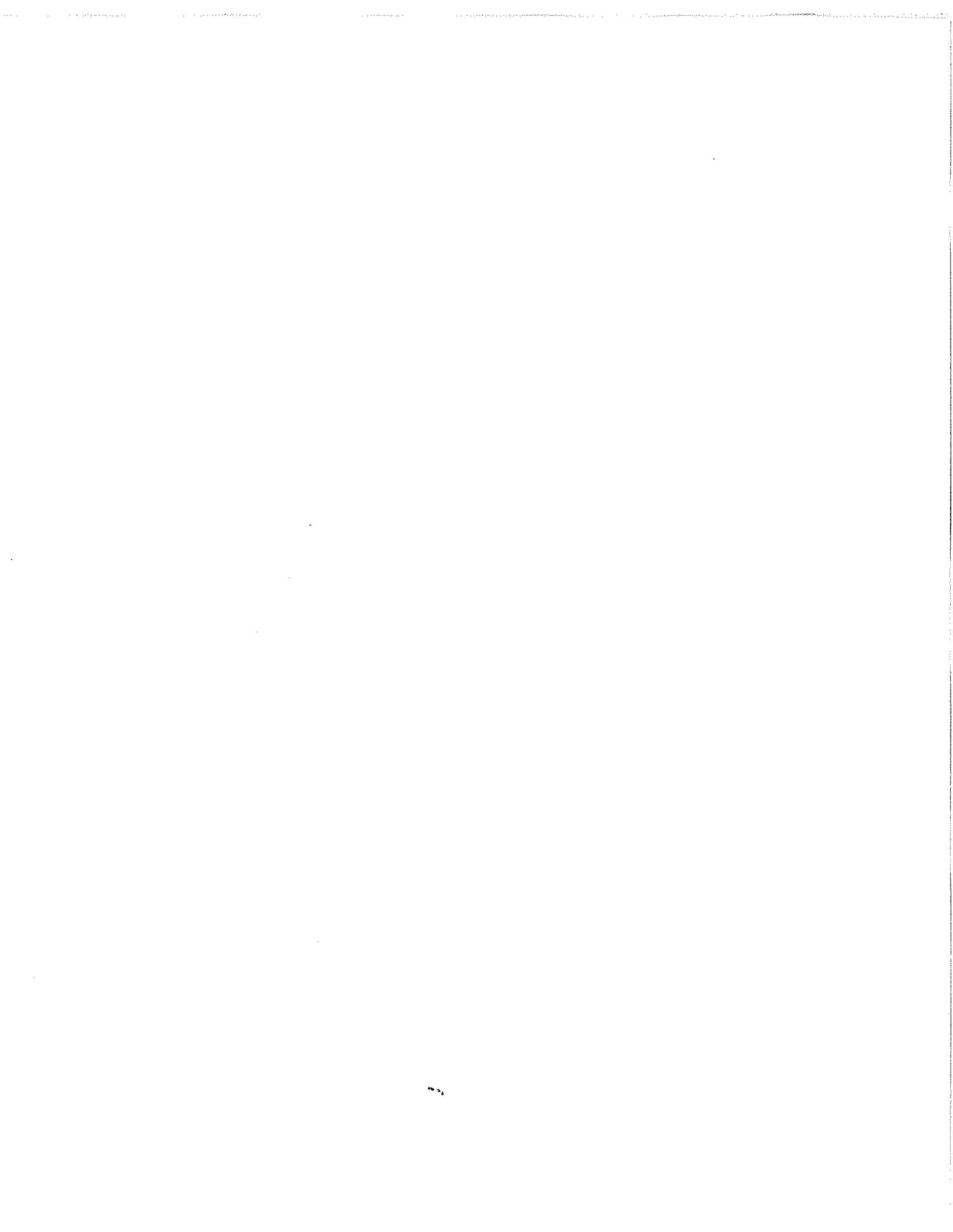
By: _____
Name: _____
Title: _____



LITIGATION

Corporation

TFA



SUPPLEMENTAL OPINION OF BOND COUNSEL

____, 20__

Hudson Yards Infrastructure Corporation

New York City Transitional Finance Authority

[Bank]

We have acted as counsel for Hudson Yards Infrastructure Corporation (the "Corporation") in connection with (i) the \$750,000,000 Funding Agreement dated as of _____, 20__ (the "Funding Agreement"), with the New York City Transitional Finance Authority (the "TFA"), (ii) the Trust Indenture dated as of December 1, 2006, [and (iii) the Reimbursement Agreement dated _____, 20__] (with the Funding Agreement and the Trust Indenture, the "Agreements"). You have requested our opinion as to certain matters concerning the Agreements.

Based on our examination of existing law, such legal proceedings and such other documents as we deem necessary to render this opinion, we are of the opinion that:

1. The Corporation is a local development corporation validly existing under the laws of the State of New York (the "State").
2. The execution, delivery and performance by the Corporation of each of the Agreements are within the Corporation's powers; have been duly authorized by all necessary action; require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished; and will not result in a violation of or be in conflict with any existing law.
3. Each of the Agreements has been duly executed and delivered and constitutes a valid and binding agreement of the Corporation, and the covenants made by the Corporation in the Agreements are legally binding obligations of the Corporation, enforceable in accordance with their terms.

The enforceability of the Agreements may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable; [to securities laws that may affect the Corporation's indemnification obligations;] and to the exercise of the State's police powers and of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur and we have no obligations to update this opinion in light of such actions or events.

This opinion is solely for the information of, and assistance to, the addressees and is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Bonds except that reference hereto may be made in any list of closing documents pertaining to the Bonds.

EXHIBIT E
OPINION OF
COUNSEL TO THE TFA



SIDLEY AUSTIN LLP
787 SEVENTH AVENUE
NEW YORK, NY 10019
(212) 839 5300
(212) 839 5599 FAX

BEIJING	GENEVA	SAN FRANCISCO
BRUSSELS	HONG KONG	SHANGHAI
CHICAGO	LONDON	SINGAPORE
DALLAS	LOS ANGELES	TOKYO
FRANKFURT	NEW YORK	WASHINGTON, DC

FOUNDED 1866

___, 20__

New York City Transitional Finance Authority

Hudson Yards Infrastructure Corporation

[Bank]

We have acted as counsel for New York City Transitional Finance Authority (the "Authority") in connection with the Indenture dated as of October 1, 1997 (as amended and restated on November 16, 2006, and as supplemented by the Resolution and [Hudson Yards] Supplemental Indenture dated __, 20__, the "Indenture"), and the \$750,000,000 Funding Agreement dated as of _____, 20__ (the "Funding Agreement"), between the Authority and the Hudson Yards Infrastructure Corporation (the "Corporation"). You have requested our opinion as to certain matters concerning the Indenture and the Funding Agreement.

Capitalized terms not defined herein are used as defined in the Indenture or the Funding Agreement. We assume the parties will perform their respective covenants in the Indenture and the Funding Agreement in all material respects.

Based on the foregoing and our examination of existing law, such legal proceedings and such other documents as we deem necessary to render this opinion, we are of the opinion that:

1. The Authority is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and the Funding Agreement. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States,

the Act is valid with respect to all provisions thereof material to the subject matter of this opinion letter.

2. The Act validly provides for (a) the payment to the Authority (i) of the taxes so payable pursuant to §1313 of the Tax Law (the "Personal Income Taxes"), and (ii) to the extent specified in the Act, of sales and compensating use taxes that the City is authorized by the State to impose and taxes imposed by the State pursuant to §1107 of the Tax Law (the "Alternative Revenues", and to the extent so payable, with the Personal Income Taxes and such other revenues, if any, as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State, the "Tax Revenues"), and (b) the Authority's pledge pursuant to the Indenture of the Tax Revenues and all aid, rents, fees, charges, payments and other income and receipts paid or payable to the Authority or the Trustee (the "Revenues", excluding, for purposes of this letter, State school building aid). The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the taxes payable to the Authority pursuant to §1313 of the Tax Law, nor does it obligate the State to make any payments not specified in the Act or impose any taxes to satisfy the obligations of the Authority.

3. The Personal Income Taxes are subject neither to appropriation by the City or the State, nor to prior claims in favor of other obligations or purposes of the City or the State except as specified in §1313 of the Tax Law with respect to overpayments and the State's reasonable costs in administering, collecting and distributing such taxes. Alternative Revenues consisting of sales and compensating use taxes imposed by the State, if payable to the Authority pursuant to the Act, are subject to State appropriation and to a prior claim of the Municipal Assistance Corporation for The City of New York. Alternative Revenues consisting of sales and compensating use taxes imposed by the City, if payable to the Authority pursuant to the Act, are not subject to appropriation by the City or the State. Upon any failure of the State Legislature to make required appropriations for State debt obligations, the Tax Revenues would not constitute revenues applicable to the General Fund of the State; hence Article 7, Section 16 of the State Constitution does not mandate such money to be set apart by the State Comptroller for the payment of State obligations.

4. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Authority, (b) creates the valid pledge of Tax Revenues that it purports to create and (c) is a valid and binding agreement, enforceable in accordance with its terms, of the Authority.

5. The lien of the Indenture on the Tax Revenues for the security of the Authority's Senior Bonds (and other instruments to the extent specified in the Indenture) is, and pursuant to the covenant of the Authority in the Indenture, will be, prior to all other liens thereon. The pledge of Tax Revenues made by the Authority in the Indenture is valid, binding and perfected without any physical delivery of the collateral or further act and the lien thereof is valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of such parties' notice thereof.

6. The execution, delivery and performance by the Authority of the Funding Agreement are within the Authority's powers; have been duly authorized by all necessary action; require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished; and will not result in a violation of or be in conflict with any existing law.

7. The Funding Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority, and the covenants made by the Authority in the Funding Agreement are legally binding obligations of the Authority, enforceable in accordance with their terms.

The enforceability of the Indenture and the Funding Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable; [to securities laws that may affect the Authority's indemnification obligations;] and to the exercise of the State's police powers and of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur and we have no obligation to update this opinion in light of such actions or events.

This opinion is solely for the information of, and assistance to, the addressees and is not to be used, circulated, quoted or otherwise referred to in connection with the offering of any obligations of the Corporation, except that reference hereto may be made in any list of closing documents pertaining to the Funding Agreement.



NOTICE OF IMPEDIMENT

The undersigned, a duly authorized officer of [Trustee] [Bank] (or Agent?), hereby certifies to the New York City Transitional Finance Authority (the "TFA"), in accordance with the \$750,000,000 Funding Agreement (the "Funding Agreement"), dated as of _____, 20__, between Hudson Yards Infrastructure Corporation (the "Corporation") and the TFA (undefined terms herein having the meanings ascribed thereto in the Funding Agreement), that:

1. Bank Notes [Fixed Rate Bonds] are due on _____, 200__, in the total [principal] amount of \$ _____. [The City of New York has provided for the interest on such Fixed Rate Bonds.]
2. The TFA's purchase of Notes from the Corporation has been [hindered/prevented] by _____, as evidenced by _____.
3. The TFA is therefore obligated to purchase [Bonds/Bank Notes] at the above Purchase Price on the above TFA Purchase Date.

IN WITNESS WHEREOF, the [Trustee] [Bank] (or Agent?) has executed and delivered this Certificate on _____, 20__.

[Bank] (or Agent?)

By: _____
Name: _____
Title: _____

