

**TRUST INDENTURE**

**by and between**

**JAY STREET DEVELOPMENT CORP.**

**and**

**THE BANK OF NEW YORK, as Trustee**

\_\_\_\_\_  
*Dated as of May 1, 2001*  
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## **TRUST INDENTURE**

**THIS TRUST INDENTURE**, dated as of May 1, 2001, by and between **JAY STREET DEVELOPMENT CORP.**, a local development corporation duly organized and existing under the Not-For-Profit Corporation Law of the State of New York (the “Corporation”), and **THE BANK OF NEW YORK**, as trustee, a New York 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 the Bonds to finance or refinance the Costs of the Project, the Costs of Issuance incurred in connection with issuance of the Bonds and deposits to the Debt Service Reserve Fund established hereby to secure payment of the Bonds;
- (b) Application of proceeds of the Bonds to payment of the Costs of the Project; 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 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 and to the Agreement, the Project Lease and the “Completion Guaranty” delivered pursuant to Section 4.01(b) of the Project Lease, including, without limitation, the present right and continuing right to make claim for, collect, receive and receipt for the Revenues, and to bring actions and proceedings for the enforcement of the payment thereof;

(ii) Except as otherwise expressly provided herein, all of the Corporation's right, title and interest in moneys and securities on deposit with the Trustee in the funds and accounts created pursuant to this Indenture and any Supplemental Indenture (other than the Corporation Expense Fund) that are expressly pledged hereby; **provided, however**, that the priority in which such moneys and securities are applied to the repayment of the Bonds shall be as expressly specified herein; and

(iii) 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 moneys 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 equal and pro rata 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 over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each of such Bonds 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;

**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:

**“Abandonment”** when used in connection with the Project means the occurrence of any one or more of the following:

(i) The repudiation of material obligations of the City or the Corporation with respect to the Project by official action (which shall not consist solely of a public statement whether made by press release or otherwise) taken by the Mayor of the City or the City Council, on behalf of the City, or by an Authorized Officer of the Corporation, on behalf of the Corporation; or

(ii) the cessation of construction of the Project for a continuous period of at least one hundred eighty (180) days;

**provided, however,** that an Abandonment shall not be deemed to have occurred under the foregoing clause (i) if the City notifies the Trustee and each Provider of a Credit Facility Agreement in writing within thirty (30) days of such official action that it intends to complete, or cause the completion of, the Project;

**provided, further,** that an Abandonment shall not be deemed to have occurred under the foregoing clause (ii) if (a) the City and the Corporation are making a good faith effort to correct the causes of the cessation of construction and (b) the City or the Corporation notifies the Trustee and each Provider of a Credit Facility in writing during the applicable one hundred eighty (180) day period and within each ninety (90) day period thereafter during which such cessation continues that such cessation is continuing but that the City or the Corporation is making the good faith effort described in the preceding clause (a), which notice shall describe such effort and contain the certification of the City to the effect that it intends to complete, or cause completion of, the Project.

**“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 the Lease and Agreement, dated as of May 10, 2001, between the Corporation and the City, as from time to time amended or supplemented in accordance with the terms and provisions hereof and of the 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 computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

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

**“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 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 Operations, 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.

**“Bond or Bonds”** means any of the notes or bonds 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 of the Parity Reimbursement Obligations of the Corporation. A Parity Reimbursement Obligation shall not be considered a Bond for purposes of Article II, Article III or Article IV 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 field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds.

**“Bond Year”** means a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

**“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.

**“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 or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York; **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 or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close in The City of New York.

**“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.

**“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.

**“Corporation”** means the Jay Street Development Corp., 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 all costs, fees and expenses of the Corporation of any kind arising out of or incurred in connection with its corporate purposes, including without limitation to maintain its existence, to pay the principal, Redemption Price or purchase price of and interest on Outstanding Bonds and other indebtedness, to cure any failure by the City to pay amounts payable by the City under the Ground Lease or the Occupancy Lease or to perform any of its obligations hereunder or under the Agreement or the Project Lease, but does not include Project Operating Expenses.

**“Cost or 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, a Reserve Fund Facility or an Interest Rate Exchange Agreement, and other costs, charges and fees in connection with the foregoing.

**“Cost or Costs of the Project”** means costs and expenses or the refinancing of costs and expenses determined by the Corporation to be necessary in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition by the Corporation or the City 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 materialmen, 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 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 the City, or the Corporation 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 (including interest on borrowed money), (viii) interest on the Bonds and rent payable under the Ground Lease prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Corporation incurred in connection with the Project or pursuant hereto or to the Agreement, a Credit Facility, a Liquidity Facility, a Reserve Fund Facility, a Remarketing Agreement, an Interest Rate Exchange Agreement or any other agreement of the Corporation ancillary to the Project or the Bonds.

**“Counterparty”** means any person with which the Corporation has entered into an Interest Rate Exchange Agreement, provided that at the time the Interest Rate Exchange Agreement is executed, the senior or uncollateralized long term debt obligations of such person, or of any person that has guaranteed for the term of the Interest Rate Exchange Agreement the obligations of such person thereunder, are rated, without regard to qualification by symbols such as "+" or "-" and numerical notation, not lower than in the third highest rating category of each Rating Service.

**“Credit Facility”** means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by 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, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, 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, a savings bank, a saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other entity approved by the Corporation, pursuant to which the Corporation or the Trustee is entitled to obtain moneys 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.

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

**“Debt Service Reserve Fund”** means the fund so designated, created and established pursuant to Section 5.02 hereof.

**“Debt Service Reserve Fund Requirement”** means, as of any particular date of computation, an amount equal to the greatest amount required in the then current or any future Bond Year to pay the sum of the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable during such year, except that if, upon the issuance of a Series of Bonds, such amount would require moneys, in an amount in excess of the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, to be deposited therein, the Debt Service Reserve Fund Requirement shall mean an amount equal to the sum of the Debt Service Reserve Fund Requirement immediately preceding issuance of such Bonds and the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, as certified by an Authorized Officer of the Corporation; **provided, however,** that for purposes of this definition (i) the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of interest and principal payable during the Bond Year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due, (ii) an Option Bond Outstanding during any Bond Year shall be assumed to mature on the stated maturity date thereof, and (iii) 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 year at the lesser of (1) a fixed rate of interest equal to that rate, as estimated by an Authorized Officer of the Corporation, after consultation with the remarketing agent, if any, for such Variable Interest Rate Bond if it is also an Option Bond or, if it is not, with an investment banking firm which is regularly engaged in the underwriting of or dealing in bonds of substantially similar character, on a day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, which 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 or the City has in connection with such Variable Interest Rate Bond entered into an Interest Rate Exchange Agreement or other swap 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, the fixed rate of interest set forth in or determined in accordance with such agreement. Notwithstanding the foregoing, if a deficiency shall be created in the Debt Service Reserve Fund either as a consequence of (a) conversion of a Variable Interest Rate Bond to bear interest at fixed rate for the remainder of the term thereof or (b) the expiration or termination of a Reserve Fund Facility or reduction, suspension or withdrawal of the ratings of the Provider of a Reserve Fund Facility required by Section 5.07 hereof to be maintained, the Debt Service Reserve Fund Requirement shall be calculated so as to exclude the amount of such deficiency and the Debt Service Reserve Fund Requirement shall be increased in each of the next succeeding five (5) Bond Years after such deficiency occurs the lesser of (x) the amount required to eliminate the then remaining deficiency and (y) twenty percent (20%) of the initial deficiency.

**“Defeasance Security”** means (i) a Government Obligation, excluding obligations described in clause (iii)(a) of this definition, but 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, (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 clauses (i) and (ii) 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 is rated in the highest rating category of each Rating Service or (iii) a note, bond, debenture, mortgage or other evidence of indebtedness, that, at the time acquired, is (a) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System or any other instrumentality of the United States of America and (b) is rated in the highest rating category of each Rating Service that then rates such note, bond, debenture, mortgage or other evidence of indebtedness; **provided, however,** that such term shall not mean any interest in a unit investment trust or mutual fund.

**“Deferred Income Bond”** means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable as provided in the Supplemental Indenture authorizing issuance of such Bonds.

**“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 the Bonds of a Series 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 Bonds is includable in the gross income of the Holders thereof for purposes of federal income taxation.

**“Developer”** means 330 Jay Street Associates, LLC, a limited liability company organized and existing under the laws of the State of New York.

**“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 rated A-1+ by S&P and P-1 by Moody's;

(iv) Exempt Obligations rated at least Aa1 by Moody's and in one of the two highest ratings available for such securities from S&P;

(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 rated A-1+ by S&P and P-1 by Moody's;

(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) 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 rated at least Aa1 by Moody's and in one of the two highest long term rating categories by S&P, or if not so rated, such obligations are collateralized by securities described in clause (i) or (ii) above or by obligations of the Government National Mortgage Association or any successor thereto, or (b) with any registered broker/dealer or any domestic commercial bank whose long term debt obligations are rated “investment grade” by each Rating Service; **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 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 hold such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has term of thirty days or less, or the Trustee will value the collateral securities no less frequently than monthly and 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 102%;

(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 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 funds are regulated investment companies and seek to maintain a constant net asset value per share and have been 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 collected for services rendered pursuant to this Indenture);

(ix) investment agreements or guaranteed investment contracts with any financial institution or corporation, 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 each Rating Service, without regard to qualification of such rating by symbols such as "+" or "-" and numerical notation; **provided, however,** that either (a) the Corporation has an option to terminate such agreement or contract in the event that either such rating is suspended or

withdrawn or reduced below the rating assigned to Outstanding Bonds without regard to any Credit Facility therefor, or (b) if not so rated or that either such rating is suspended or withdrawn or so reduced, then such agreement or contract is 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 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 hold such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has term of thirty days or less, or the Trustee will value the collateral securities no less frequently than monthly and 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 are non-callable and that are acceptable to each Rating Service;

**provided, however,** that no Eligible Investment may except for Defeasance Securities, evidence the right to receive only interest with respect to obligations underlying such instrument.

**“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, which, at the time an investment therein is made or such obligation is deposited in any fund or account hereunder, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, in not less than the second highest rating category of each Rating Service.

**“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).

**“Ground Lease”** means that certain lease dated as of May 10, 2001, by and between the City, as tenant, and the Developer, as landlord, pursuant to which the Developer has leased to the City the land on which the Project is situated.



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

**“Interest Commencement Date”** means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Supplemental Indenture authorizing such Bond, after which interest accruing on such Bond shall be payable on the dates succeeding such Interest Commencement Date as specified in the Supplemental Indenture authorizing such Deferred Income Bond.

**“Interest Rate Exchange Agreement”** means an agreement entered into by the Corporation in connection with the issuance of or which relates to Bonds which (i) 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 an 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 a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, 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 and (ii) in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on Bonds from gross income for the purposes of federal income taxation.

**“Liquidity Facility”** means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement pursuant to which moneys 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 savings bank, 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 and loan association, (v) an insurance company or association chartered or organized under the laws of any state of the United States of America, (vi) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation or (vii) a corporation affiliated with or which is a subsidiary of any entity described above or affiliated with or a subsidiary of any registered securities dealer.

**“Maximum Interest Rate”** means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Supplemental Indenture authorizing such Bond, that shall be the maximum rate at which such 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, set forth in the Supplemental Indenture authorizing such Bond, that shall be the minimum rate at which such 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.

**“Occupancy Lease”** means that certain lease, dated as of May 10, 2001, by and between the City, as tenant, and the Developer, as landlord, relating to the Project.

**“Option Bond”** means any Bond which by its terms may be tendered by and at the option of the Holder 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 Holder thereof in accordance with the Supplemental Indenture authorizing such Bonds.

**“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 a Reserve Fund 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 pledge of and lien on the Trust Estate on a parity with the lien created hereby.

**“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.

**“Project”** means the condominium unit constituting the Premises under the Agreement, including common elements appertaining to such condominium unit.

**“Project Account”** means the account within the Construction Fund so designated, created and established pursuant to Section 5.04 hereof.

**“Project Cost Requisition”** means either (i) a requisition signed by an Authorized Officer of the Corporation substantially in the form annexed hereto as Exhibit A, stating with respect to each payment to be made (a) in the case of a payment to the Developer or a payment

to be made pursuant to Article 18 of the Project Lease upon substantial completion of the Project, in either case for the Costs of the Project, that the Corporation has received all of the documents required by the Project Lease as a condition precedent to such payment and that such payment is then due as rent or otherwise under the Project Lease or (b) in the case of a payment to any other person, (1) the names of the payees, (2) the purpose for which payment is to be made in terms sufficient for identification, (3) the respective amount of each such payment and (4) that such purpose constitutes a proper purpose for which moneys in the Construction Fund may be applied and has not been the basis of any previous withdrawal from the Construction Fund, or (ii) in the case of a payment to the Developer, either (x) a final arbitration determination obtained pursuant to Article 3 and 9 of the Project Lease, or (y) a Special Payment Requisition.

**“Project Lease”** means that certain lease, dated as of May 10, 2001, by and between the Developer, as Landlord, and the Corporation, as tenant, pursuant to which the Developer is obligated to construct the Project and leases the same to the Corporation.

**“Project Operating Expenses”** means, in the event that upon a default under the Agreement or termination of the Agreement pursuant to Section 10.01 thereof, the Corporation or the Trustee, on behalf of the Bondholders, re-enters the Project, the costs and expenses for or in connection with the operation and maintenance thereof, administrative expenses, insurance premiums, auditing and legal expenses, Costs of the Project not to be paid from the proceeds of Bonds, and any other expenses incurred as a result or by reason of the re-entry upon and the operation, reletting or sale of the Project, including the expenses and compensation of the Trustee and each Paying Agent incurred by reason hereof.

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

**“Provider”** means the provider or issuer of a Credit Facility, a Liquidity Facility or a Reserve Fund Facility.

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

**“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 Moody’s and S&P, or their respective successors, that 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 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.

**“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.

**“Rentals”** means the amount payable pursuant to Section 4.01(a) of the Agreement.

**“Reserve Fund Facility”** means a surety bond, insurance policy or letter of credit delivered in accordance with Section 5.07 hereof to meet all or any part of the Debt Service Reserve Fund Requirement if the same is on the date of delivery issued:

(i) in the case of a such surety bond or insurance policy, by an insurance company or association duly authorized to do business in the State and either (A) the claims paying ability of such insurance company or association is rated in the highest rating category accorded by a nationally recognized insurance rating agency or (B) obligations insured by such company or association are rated at the time such surety bond or insurance policy is delivered, without regard to qualification of such rating by symbols such as "+" or "-" or numerical notation, in the highest rating category by each Rating Service; or

(ii) in the case of a letter of credit, by a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law, or 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, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as "+" or "-" or numerical notation, in at least the second highest rating category by each Rating Service.

**“Revenues”** means (i) the Rentals paid by the City pursuant to Section 4.01(a) of the Agreement, (ii) all rentals, income and profits derived by or for the account of the Corporation upon its re-entry upon the Project and the operation, reletting or sale thereof in accordance with the Agreement and (iii) the payments made by a Counterparty pursuant to an Interest Rate Exchange Agreement.

**“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.

**“Serial Bonds”** means the Bonds so designated in a Supplemental Indenture.

**“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 any Outstanding Bonds which mature after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond.

**“Special Payment Requisition”** means a “Special Payment Application” submitted to the Trustee by the Developer in accordance with Section 3.03(j) of the Project Lease that pursuant to said section has become a “Special Payment Requisition.”

**“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.

**“State”** means the State of New York.

**“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.

**“Term Bonds”** means the Bonds so designated in a Supplemental Indenture and payable from Sinking Fund Installments.

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

**“Trustee”** means the bank or trust company 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.

**“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 Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of determining such interest rate or rates specified in the Supplemental Indenture authorizing such Bonds; **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; **provided, further,** that such Supplemental Indenture shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

**“Variable Interest Rate Bond”** means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof 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 "Courts Facility Lease Revenue Bonds (New York City – Jay Street Project)," 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.

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, 2.03 and 2.04 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 Agreement and the Project Lease, certified by an Authorized Officer of the Corporation;

(c) A copy of each of the Ground Lease and the Occupancy Lease, certified by an officer of the City;

(d) 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;

(e) If a Reserve Fund Facility is to be provided in connection with the issuance of the Bonds of such Series, such Reserve Fund Facility and the opinion of counsel to the Provider thereof required by Section 5.07(a)(2) hereof;

(f) 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;

(g) A certificate of an Authorized Officer of the Corporation stating the amount required to be in the Debt Service Reserve Fund after issuance of the Bonds then to be issued, and that after deposit in the Debt Service Reserve Fund of the amount, if any, to be deposited therein in connection with the issuance of such Bonds, the amount on deposit in such fund will not be less than the amount then required to be therein;

(h) A certificate of an Authorized Officer of the Corporation stating that 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;

(i) A certificate of an Authorized Officer of the City stating that no "event of default" under the Agreement has occurred and is continuing nor will an "event of default" under the Agreement occur as a result of the issuance of such Bonds; **provided, however,** that such certificate shall not be required if after issuance of such Bonds the City shall no longer be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Agreement;

(j) If such Bonds are the first Series of Bonds issued hereunder, a certificate of the Chief Administrator stating that the Project is essential to the proper administration of the Unified Court System of the State within the City and to meet the essential needs of the City and the State and that the project will be essential to such administration and to meet such needs through the term of the Agreement; and

(k) 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 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 purpose or purposes for which such Series of Bonds is being issued, which shall be limited to the payment of costs, expenses and liabilities related to the Project, including without limitation (i) payment of the Costs of the Project, (ii) payment of the Costs of Issuance of such Series of Bonds, (iii) making a deposit to the Debt Service Reserve Fund, (iv) funding or refunding of Bonds or other notes, bonds or other indebtedness of the Corporation issued or incurred in connection with the Project, which may include interest thereon;
- (c) 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;
- (d) 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;
- (e) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;
- (f) 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;

(g) The Maximum Interest Rate or Rates, if any, in connection with any Variable Interest Rate Bonds or Option Bonds of such Series;

(h) 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;

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

(j) 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;

(k) 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;

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

(m) 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

(n) 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 2.04 Parity Reimbursement Obligations.** (a) In connection with the issuance of a Series of Bonds hereunder, the Corporation may obtain or cause to be obtained one or more Credit Facilities or Liquidity Facilities providing for payment of all or a portion of the principal or Redemption Price of or interest on such Bonds, providing for the purchase of such Bonds by the Provider of such Credit Facility or Liquidity Facility or providing funds for the purchase of such Bonds by or on behalf of the Corporation. In connection therewith the Corporation may enter into such agreements with the Provider of such Credit Facility or Liquidity Facility providing for, *inter alia*: (i) the payment of fees and expenses to such Provider for the issuance of such Credit Facility or Liquidity Facility; (ii) the terms and conditions of such Credit Facility or Liquidity Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility or Liquidity Facility.

(b) The Corporation may in an agreement with the Provider of such Credit Facility or Liquidity Facility agree to directly reimburse the Provider for amounts paid by it pursuant to the

Credit Facility or Liquidity Facility, together with interest thereon (the **“Reimbursement Obligation”**); **provided, however**, that no Reimbursement Obligation shall be created, for purposes of this Indenture, until amounts are paid under the Credit Facility or Liquidity Facility. Any Reimbursement Obligation 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. A Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility or Liquidity Facility which gave rise to such Parity Reimbursement Obligation relates.

(c) Any Credit Facility or Liquidity Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as is specified in the Supplemental Indenture authorizing such Series of Bonds.

**Section 2.05 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 relating to 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 on the date fixed by the Supplemental Indenture authorizing the issuance of such Bonds. Interest on all Bonds of each Series shall be payable as 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

canceled 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 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 canceled 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 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.

**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 canceled by the Trustee.

**Section 3.12 Tender of Option Bonds.** An Option Bond which is required to be delivered for redemption or purchase pursuant to the provisions hereof or of the Supplemental Indenture authorizing such Bonds shall be deemed surrendered as provided in the Supplemental Indenture authorizing the issuance thereof even though such Bond has not been actually presented and surrendered by the Holder thereof.



## **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 the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, the Trustee shall select the 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 moneys 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.

In addition, the Trustee shall (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to S&P's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof. Such copies shall be sent by certified mail, return receipt requested, but mailing such copies shall not be a condition precedent to such redemption and failure to so mail or of a person to which such copies were mailed to receive such copy 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, moneys 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 moneys 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 Trust Estate is hereby pledged to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Corporation hereunder and under any Supplemental Indenture all in accordance with the provisions hereof and thereof. The Bonds shall be special obligations of the Corporation payable solely from and secured by a pledge of the Trust Estate, which pledge 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:

Construction Fund;  
Debt Service Fund;  
Debt Service Reserve Fund;  
Corporation Expense Fund;  
Project Operating Fund; and  
Arbitrage Rebate Fund.

All moneys 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 moneys 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 moneys 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 and Allocation Thereof.** 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.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Supplemental Indenture authorizing such Series.

**Section 5.04 Application of Moneys in the Construction Fund.** (a) For purposes of internal accounting, the Construction Fund may contain one or more accounts or subaccounts,

as the Corporation may deem proper. As soon as practicable after the delivery of each Series of Bonds, there shall be deposited into each account within the Construction Fund the amount required to be deposited therein pursuant to the Supplemental Indenture authorizing such Series. In addition, the Corporation shall deposit in the Construction Fund any moneys paid to the Corporation pursuant to Section 7.08 hereof.

(b) Except as otherwise provided in this Article V and in any applicable Supplemental Indenture, moneys deposited in the Construction Fund shall be used only to pay the Costs of Issuance of the Bonds and the Costs of the Project. 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 in the Debt Service Fund unless otherwise expressly directed by an Authorized Officer of the Corporation.

(c) Except as provided in paragraphs (b) and (d) of this Section, payments from the Construction Fund shall be made by the Trustee in accordance with a Project Cost Requisition, except that moneys to pay interest on Outstanding Bonds shall be transferred from the Construction Fund to the Debt Service Fund at such times and in such amounts as shall be directed by an Authorized Officer of the Corporation.

(d) Notwithstanding the provisions of paragraph (c) of this Section, no payment shall be made to the Developer of amounts for items of Costs of the Project set forth in any Special Payment Requisition (i) unless and until the Developer has notified the Trustee in writing that a "Tenant Event of Default" has occurred and is continuing under the Project Lease and (ii) an Event of Default hereunder is continuing. If the Trustee has received such notice and if an Event of Default is then continuing hereunder, the Trustee shall promptly pay to the Developer from the Construction Fund the amounts set forth on said Special Payment Requisition as are then unpaid.

(e) The Project shall be deemed to be complete upon the filing with the Trustee of a notice of final completion required by Section 3.06 of the Agreement. The moneys, if any, then remaining in the Construction Fund, after making provision in accordance with the direction of an Authorized Officer of the Corporation for the payment of any Costs of Issuance and Costs of the Project 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 and in the following order of priority:

First: To the Arbitrage Rebate Fund, the amount determined by the Corporation to be required to be deposited therein;

Second: To the Debt Service Reserve Fund, such amount as shall be necessary to make the amount on deposit in such fund equal to the Debt Service Reserve Fund Requirement; and

Third: 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 set forth in such direction if the Trustee shall have

also received an opinion of Bond Counsel to the effect that application of the moneys as so directed will not adversely affect the exclusion of interest on any Bonds from gross income for purposes of federal income taxation.

**Section 5.05 Deposit of Revenues and Allocation Thereof.** The Revenues shall upon receipt thereof be deposited or paid by the Trustee in the following order of priority:

First: To the Debt Service Fund, the amount, if any, necessary, together with any moneys to be transferred to the Debt Service Fund pursuant to Section 5.04(b), to make the amount in the Debt Service Fund equal to the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable on or prior to the last day of the next succeeding month; **provided, however,** that if on the date of deposit or payment the interest at which a Variable Interest Rate Bond will bear interest is at any time after such deposit to and including through the end of the next succeeding calendar month 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;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

Third: Upon the direction of an Authorized Officer of the Corporation, to the Arbitrage Rebate Fund the amount set forth in such direction;

Fourth: To the Debt Service Reserve Fund, the amount, if any, necessary to make the amount on deposit in such fund equal to the Debt Service Reserve Fund Requirement;

Fifth: To the Project Operating Fund, the amount, if any, which, together with all amounts theretofore deposited therein during the then current Bond Year, equals the aggregate amount of Project Operating Expenses for the period from the beginning of such Bond Year through the end of the next succeeding calendar month, as set forth in the budget of Project Operating Expenses then on file with the Trustee; and

Sixth: To the Corporation Expense Fund, the amount which, together with all amounts theretofore deposited therein during the then current Bond Year, equals the aggregate amount of Corporation Expenses for the period from the beginning of such Bond Year through the end of the next succeeding calendar month, as set forth in the budget of Corporation Expenses then on file with the Trustee (exclusive of amounts for the payment of the principal, Redemption Price or purchase price of and interest on Outstanding Bonds and other indebtedness) or such greater amount as an Authorized Officer of the Corporation shall direct in writing.

After making the foregoing payments the balance, if any, of the Revenues remaining shall be paid or applied by the Trustee upon direction of an Authorized Officer of the

Corporation given or confirmed in writing either (i) to the City, free and clear of any pledge, lien, encumbrance or security interest created hereby, except that no payments shall be made to the City if an Event of Default under the Agreement is then continuing or if the Agreement has been terminated either pursuant to Section 8.02 or Section 10.01 of the Agreement, (ii) to the Debt Service Fund, (iii) to the purchase or redemption of Outstanding Bonds or (iv) to make provision for the payment of Outstanding Bonds in accordance with Section 12.01(b) hereof. If no direction is given by the Corporation the Trustee shall deposit the remaining Revenues to the Debt Service Fund.

**Section 5.06 Debt Service Fund.** The Trustee shall pay out of the Debt Service Fund the principal and Sinking Fund Installments of and interest on all Outstanding Bonds, including Parity Reimbursement Obligations, as the same is due and payable.

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

(b) In the event that on the second Business Day or on any subsequent date preceding any date on which the principal or Sinking Fund Installment of or interest on Outstanding Bonds is due the amount in the Debt Service Fund, together with amounts to be transferred to the Debt Service Fund from the Construction Fund pursuant to a direction given prior to said fourth Business Day in accordance with Section 5.04(b), shall be less than the amount required for payment of the interest on and the principal and Sinking Fund Installments of the Outstanding Bonds due on said date, the Trustee shall withdraw from the Debt Service Reserve Fund and deposit to the Debt Service Fund such amount as will increase the amount therein to an amount sufficient to make such payments.

(c) Notwithstanding the provisions of this Section, the Corporation may, at any time subsequent to the first day of any Bond 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, direct the Trustee to purchase, with moneys on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased or otherwise purchased and delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Corporation. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date.

(d) Moneys remaining in the Debt Service Fund in excess of that amount then required to be therein shall be paid or applied by the Trustee upon direction of an Authorized Officer of the Corporation either (i) to the City, free and clear of any pledge, lien, encumbrance or security interest created hereby, except that no payments shall be made to the City if moneys have been required to be deposited in the Project Operating Fund during the then current Bond Year, (ii) to the purchase or redemption of Outstanding Bonds or (iii) to make provision for the payment of Outstanding Bonds in accordance with Section 12.01(b) hereof.

**Section 5.07 Debt Service Reserve Fund.** (a) (1) The Trustee shall deposit to the credit of the Debt Service Reserve Fund such proceeds of the sale of Bonds, if any, as shall be prescribed in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(2) In lieu of or in substitution for moneys or another Reserve Fund Facility, the Corporation may deliver or cause to be delivered to the Trustee a Reserve Fund Facility for the benefit of the Holders of the Bonds for all or any part of the Debt Service Reserve Requirement; **provided, however,** as a condition to delivery thereof the Trustee shall also receive (i) an opinion of counsel to the Provider acceptable to the Trustee to the effect that such Reserve Fund Facility has been duly authorized, executed and delivered by the Provider thereof and is valid, binding and enforceable in accordance with its terms, (ii) in the event such Provider is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Trustee and to each Provider and (iii) in the event such Reserve Fund Facility is a letter of credit, an opinion of counsel acceptable to the Trustee substantially to the effect that payments under such letter of credit will not constitute a voidable preferences under Section 547 of the United States Bankruptcy Code in a case commenced by or against the Corporation.

Each such surety bond, insurance policy or letter of credit shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the Debt Service Reserve Fund and such withdrawal cannot be made without obtaining payment under such Reserve Fund Facility.

Notwithstanding the foregoing, if at any time the rating assigned by a Rating Service to the unsecured or uncollateralized long term debt of the Provider of a Reserve Fund Facility or to the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of the Provider is withdrawn, suspended or reduced below, in the case of a surety bond or insurance policy, second highest rating category for such obligations by such Rating Service or, in the case of a letter of credit, the third highest rating category for such obligations by such Rating Service, the Corporation shall either (i) replace or cause to be replaced said Reserve Fund Facility with another Reserve Fund Facility or (ii) deposit or cause to be deposited in the Debt Service Reserve Fund during each of the next succeeding Bond Years an amount equal to the lesser of (A) the amount then required to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement and (B) twenty percent (20%) of the notional amount of Reserve Fund Facility.

For the purposes of this Section and Section 5.13 hereof, in computing the amount on deposit in the Debt Service Reserve Fund, a Reserve Fund Facility shall be valued at the amount available to be paid thereunder on the date of computation; **provided, however,** that, if the unsecured or uncollateralized long term debt of the Provider thereof, or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of said Provider has been withdrawn, suspended or reduced below the ratings required by the immediately preceding paragraph of this Section 5.07(a)(2), said Reserve Fund Facility shall be valued at the lesser of (i) the amount available to be paid thereunder on the date of calculation and (ii) the difference between the amount available to be paid thereunder on the date of delivery of the Reserve Fund Facility to the Trustee and an amount equal to a fraction of such available amount the numerator of which is the number of Bond Years that have commenced since such ratings were reduced and the denominator of which is five.

(b) Moneys held for the credit of the Debt Service Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of Section 5.06(b) hereof; **provided, however,**



that no payment under a Reserve Fund Facility shall be sought unless and until moneys are not available in the Debt Service Reserve Fund and the amount required to be withdrawn from the Debt Service Reserve Fund pursuant to this paragraph can not be withdrawn therefrom without obtaining payment under such Reserve Fund Facility; **provided, further,** that, if more than one Reserve Fund Facility is held for the credit of the Debt Service Reserve Fund at the time moneys are to be withdrawn therefrom, the Trustee shall obtain payment under each such Reserve Fund Facility, pro rata, based upon the respective amounts then available to be paid thereunder.

With respect to any demand for payment under any Reserve Fund Facility, the Trustee shall make such demand for payment in accordance with the terms of such Reserve Fund Facility at the earliest time provided therein to assure the availability of moneys on the date for which such moneys are required.

(c) The income or interest earned on investments held for the credit of the Debt Service Reserve Fund shall be withdrawn by the Trustee, as received, and deposited in the Debt Service Fund. If on June 30 of a Bond Year the value of the moneys and investments held for the credit of the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, such excess shall be withdrawn by the Trustee and, upon direction of an Authorized Officer of the Corporation, deposited in the Arbitrage Rebate Fund, the Debt Service Fund or the Construction Fund in accordance with such direction; **provided, however,** that if such amount results from the substitution of a Reserve Fund Facility for moneys or investments in the Debt Service Reserve Fund, such amount shall not so applied unless in the opinion of Bond Counsel such application will not adversely effect the exclusion of interest on any Bonds from gross income for federal income tax purposes.

(d) Notwithstanding the provisions hereof, if, upon a Bond having been deemed to have been paid in accordance with Section 12.01 hereof, the amount held for the credit of the Debt Service Reserve Fund will exceed the Debt Service Reserve Fund Requirement, then the Trustee shall, in accordance with the written direction of an Authorized Officer of the Corporation, withdraw all or any portion of such excess from the Debt Service Reserve Fund and either (i) apply such amount to the payment of the principal or Redemption Price of and interest on such Bond in accordance with the irrevocable instructions of the Corporation or to fund any reserve for the payment of the principal and sinking fund installments of or interest on the bonds, notes or other obligations, if any, issued to provided for the payment of such Bond or (ii) pay such amount to or upon the order of the Corporation if, in the opinion of Bond Counsel, such payment of will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes; **provided, however,** that after such withdrawal the amount remaining in the Debt Service Reserve Fund shall not be less than the Debt Service Reserve Fund Requirement.

(e) If on June 30 of a Bond Year (or if June 30 is not a Business Day, on the immediately preceding Business Day) the value of the moneys and investments held for the credit of the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Corporation of such deficiency. The amount of such deficiency shall be included in the Rentals payable during the next succeeding Bond Year.

**Section 5.08 Corporation Expense Fund.** Moneys in the Corporation Expense Fund shall be held separate and apart from all other moneys of the Corporation in an account or accounts of which the Trustee shall be the depository. Moneys 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.

**Section 5.09 Project Operating Fund.** Moneys in the Project Operating Fund shall be held separate and apart from all other moneys of the Corporation in an account or accounts of which the Trustee shall be the depository. Moneys in the Project Operating Fund shall be used only for the payment of Project Operating Expenses and shall be withdrawn by the Corporation at such times and in such amounts as the Corporation considers necessary to make such payments. Payments from the Project Operating Fund shall be made by the Corporation pursuant to a requisition of the Corporation substantially in the form annexed hereto as Exhibit B, signed by an Authorized Officer, describing in reasonable detail the purposes for which such moneys are to be used and the amount thereof.

**Section 5.10 Arbitrage Rebate Fund.** The Trustee shall deposit to the Arbitrage Rebate Fund any moneys delivered to it by the Corporation for deposit therein and, notwithstanding any other provisions of this Article V, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Corporation, moneys on deposit in any other funds or accounts held by the Trustee hereunder at such times and in such amounts as shall be set forth in such directions.

Moneys on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Corporation to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Corporation shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Corporation determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account established hereunder in accordance with the written direction of such Authorized Officer.

If and to the extent required by the Code, the Corporation shall periodically, at such times as may be required to comply with the Code, determine the amount required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (i) transfer or direct the Trustee to transfer from any other of the funds and accounts held hereunder and deposit to the Arbitrage Rebate Fund, such amount as the Corporation shall have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (ii) pay out of the Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

**Section 5.11 Application of Moneys in Certain Funds for Retirement of Bonds.** Notwithstanding any other provisions hereof, if at any time the amounts held in the Debt Service Fund and the Debt Service Reserve Fund are sufficient to pay the principal or Redemption Price

of all Outstanding 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) hereof for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Corporation may (i) direct the Trustee to redeem all such Outstanding 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 the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

**Section 5.12 Transfer of Investments.** Whenever moneys in any fund or account established hereunder are 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 moneys, 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.

**Section 5.13 Computation of Assets of Certain Funds.** The Trustee shall compute the value of the assets in the Debt Service Reserve Fund on each June 30 (or if June 30 is not a Business Day, on the immediately preceding Business Day) and notify the Corporation of the results of such computation and the amount by which the amount in the Debt Service Reserve Fund exceeds or is less than the Debt Service Reserve Fund Requirement.

## **ARTICLE VI.**

### **SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

**Section 6.01 Investment of Funds and Accounts Held by the Trustee.** (a) Moneys 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 moneys in the Debt Service Fund shall only be invested in Eligible Investments of the type described in clause (ii), (iii) 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 moneys so deposited or invested to be available for use at the times at, and in the amounts in, which the Corporation reasonably believes such moneys will be required for the purposes hereof.

(b) Obligations purchased or other investments made as an investment of moneys 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 moneys therein or held therein shall

be valued at the market value thereof, plus accrued interest to the date of valuation, except that investments held in the Debt Service Reserve Fund shall be valued at Amortized Value, plus accrued interest to the date of valuation. Amortized Value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and, in the case of an obligation purchased at a premium, deducting the amount thus calculated from each interest payment date after such purchase from the purchase price and, in the case of an obligation purchased at a discount, adding the amount thus calculated from each interest payment date after such purchase to the purchase price.

(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 moneys 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 and of the details of all 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 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, 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 its obligations to a Provider of a Credit Facility or a Liquidity Facility, which may be of equal priority and rank with the charge and lien thereon created hereby. 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 hereby made or intended so to be, or which the Corporation may hereafter become bound to pledge or assign.

**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 City, 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 Agreement; Termination.** The Corporation as soon as practicable shall give written notice to the Trustee and to each Provider of a Credit Facility of the occurrence of an "Event of Default" under the Agreement, as such term is defined in the Agreement. Except as otherwise provided in this Section, the Corporation shall at the direction of the Holders of a majority in principal amount of the Outstanding Bonds take all legally available action to cause the City to perform fully its obligation to pay the Rentals in the manner and at the times provided in the Agreement. The Corporation shall not, without the prior written consent of the Providers of Credit Facilities relating to a majority in principal amount of the Outstanding Bonds, take any action to terminate the Agreement either pursuant to Section 8.02 or Section 10.01 of the Agreement and shall, at the written direction of the Providers of Credit Facilities relating to a majority in principal amount of the Outstanding Bonds, exercise its right to terminate the Agreement pursuant to Section 8.02 thereof upon the occurrence of an "Event of Default" under the Agreement, as such term is defined in the Agreement, or pursuant to Section 10.01 thereof if, as a result of a failure of the City duly to appropriate moneys for such purposes, the City (i) fails to pay when due the payments to be paid under the Agreement or (ii)

fails to perform any covenant or agreement on its part to be observed or performed under the Agreement.

**Section 7.09 Deposit of Certain Moneys in the Construction Fund.** In addition to the proceeds of Bonds to be deposited in the Construction Fund, any moneys 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 in accordance with any applicable provisions of the Project Lease, and to be so applied, shall be deposited in the Construction Fund; **provided, however,** that the foregoing shall not include any proceeds of any insurance or condemnation award payable to either the condominium board of managers or an owner of any other condominium unit in the building of which the Project is a part in accordance with the terms of the documents governing the condominium or the Project Lease.

**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 Agreement.** (a) Except as otherwise provided herein, the Agreement may not be amended, changed, modified or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds as herein provided, if such amendment, change, modification, termination or waiver (i) reduces the amount of Rentals payable on any date or delays the date on which Rentals is payable, (ii) reduces the purchase price payable for the Project pursuant to Article IX of the Agreement, (iii) provides for the conveyance or transfer of the Project to the City other than upon payment of the purchase price therefor or when no Bonds are Outstanding, (iv) modifies the terms or conditions upon which the Agreement may be reinstated pursuant to Section 8.03 or 10.03 of the Agreement, (v) waives or surrenders any right of the Corporation to terminate the Agreement or (vi) modifies the events which constitute events of default under Section 8.01 of the Agreement or diminishes, limits or conditions the rights of the Corporation under, or remedies which upon the occurrence of an event of default by the City may be exercised by, the Corporation under the Agreement.

No such amendment, change, modification, termination or waiver shall take effect unless the prior written consent of (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 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) The 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 Bonds in any material respect, except that no amendment, change, modification or alteration of the 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 the Agreement or waiver or 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 is not inconsistent herewith and will not adversely affect the exclusion of interest on any 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, for resale or otherwise, upon such purchase from the Corporation, 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 or alteration of the 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 or alteration, 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 or alteration adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

**Section 7.12 Notice as to Agreement Default.** The Corporation shall notify the Trustee in writing of any “event of default” under the Agreement, which notice shall be given within five (5) days after the Corporation has obtained actual knowledge thereof.

**Section 7.13 Budget of Project Operating Expenses.** In the event the Corporation shall re-enter the Project upon the happening of an event of default by the City under the Agreement or upon a termination of the Agreement by the Corporation pursuant to Section 10.01 of the Agreement, and operate the same directly or by an agent, the Corporation shall prepare, not later than sixty (60) days from the date of such re-entry, a budget of Project Operating



Expenses made or to be made monthly for the balance of the then current Bond Year. At least sixty (60) days prior to the beginning of each Bond Year thereafter, the Corporation shall prepare a budget of Project Operating Expenses made or to be made monthly for such Bond Year. The budget of the Project Operating Expense may be amended by the Corporation from time to time. Each such budget of the Project Operating Expenses and each amendment thereto shall be filed by the Corporation with the Trustee accompanied by a certificate signed by an Authorized Officer of the Corporation stating that such budget or amendment has been prepared and is filed in accordance with the provisions of this Section.

**Section 7.14 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 of Corporation Expenses made or to be made monthly for the balance of the then current Bond Year. At least sixty (60) days prior to the beginning of each Bond Year thereafter, the Corporation shall prepare a budget of Corporation Expenses made or to be made monthly for such Bond Year. The budget of the Corporation Expenses may be amended by the Corporation from time to time. Each such budget of the Corporation Expenses or amendment thereto shall be filed by the Corporation with the Trustee and the City and shall be accompanied by a certificate signed by an Authorized Officer of the Corporation stating that such budget has been prepared and is filed in accordance with the provisions of this Section.

**Section 7.15 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 or by the Agreement, 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 7.16 Casualty to or Sale, Lease or Condemnation of Project.** The Corporation shall not permit the sale, lease or other disposition of the Project except in accordance with the provisions of the Agreement, the Project Lease, the Occupancy Lease and the Ground Lease. The net proceeds of any casualty insurance or condemnation award paid to the Corporation which is not to be used for the repair and improvement of the Project in accordance with Section 5.07 of the Agreement, and the net proceeds of any sale or assignment of the Corporation's or the City's right, title and interest in the Project, shall either (i) be paid to the Trustee and applied to the purchase or redemption of Outstanding Bonds or to make provision for payment of Outstanding Bonds in accordance with Section 12.01(b) hereof or (ii) if the City has made all payments of Rentals and no "event of default" under the Agreement is then continuing, be paid to or retained by the City; **provided, however,** no such money may be retained by or paid to the City unless (A) in the opinion of Bond Counsel the same will not adversely affect the exemption of interest on any Bond from gross income for purposes of federal income taxation and (B) Rating Confirmations have been obtained from each Rating Service.

**Section 7.17 Amendment of Cure Rights.** The Corporation shall not amend, change, modify or otherwise alter or waive the provisions of Article 19 of the Project Lease in any manner without the prior written consent of the Holders of at least a majority in principal amount of the Bonds then Outstanding.

**Section 7.18 Permitted Encumbrances.** The Corporation shall not, without the prior written consent of the Provider of a Credit Facility, create, cause to be created or suffer the existence of any charge, lien or encumbrance upon the Project or its leasehold estate therein, other than a “Permitted Encumbrance” (as such term is defined in the Agreement), and shall not approve or consent to the creation or existence of any charge, lien or encumbrance on the Project or the City’s leasehold estate therein if, but for such consent or approval, such charge, lien or encumbrance would not constitute a “Permitted Encumbrance” under the Agreement.

**Section 7.19 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.** The Bank of New York, 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 moneys paid to the Corporation or others in accordance herewith and with each Supplemental Indenture except as to the application of any moneys 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 moneys and securities conveyed to or held by the Trustee, except for amounts held in the Arbitrage Rebate Fund and 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 moneys in the Arbitrage Rebate Fund and 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 (other than the Arbitrage Rebate Fund) 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 to Successor Trustee.** 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 moneys, 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 moneys 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 moneys, 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 Indentures 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 moneys, 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, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; **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 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.** 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 Redemption Price of any Bond shall not be made by the Corporation when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) Payment of an installment of interest on any Bond shall not be made by the Corporation when the same shall become due and payable; or

(c) With respect to the Bonds of any Series, 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) An Abandonment of the Project has occurred; or

(f) 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

(g) 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; or

(h) An involuntary case or other proceeding shall be commenced against the City seeking liquidation, reorganization, dissolution, rehabilitation or other similar relief with respect to it or its debts under any bankruptcy, insolvency or

other similar law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days or any order for relief shall be entered against the Corporation under any bankruptcy, insolvency or other similar law as now or hereafter in effect; or

(i) The City shall fail for any reason, including as a result of a failure by the City to appropriate moneys therefor, to pay Rentals, when due, and such failure continues beyond any grace period provided therefor in the Agreement.

**Section 11.02 Acceleration of Maturity.** Upon the happening and continuance of any event of default specified in Section 11.01 (a), (b), (f), (g) or (h) hereof, then and in every such case the Trustee may, and, upon the written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds, shall, by a notice in writing to the Corporation, declare the principal of and interest on all of the Outstanding Bonds to be due and payable. At the expiration of thirty (30) days after such notice is given, such principal and interest shall become and be immediately due and payable, anything herein or in any Supplemental Indenture or in the Bonds to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy hereunder, the Trustee shall, with the written consent of the Holders of not less than a majority in principal amount of the Bonds not then due by their terms and then Outstanding and by written notice to the Corporation, annul such declaration and its consequences if: (i) moneys shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Corporation hereunder and under each Supplemental Indenture (other than principal amounts payable only because of a declaration and acceleration under this Section 11.02) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained herein or in any Supplemental Indenture or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section 11.02) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**Section 11.03 Enforcement of Remedies; Limitations.** Upon the happening and continuance of any event of default specified in Section 11.01 hereof, 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 twenty-five per centum (25%) 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 hereunder, including but not limited to the Agreement, the Project Lease and the "Completion Guaranty" delivered pursuant to Section 4.01(b) of the Project Lease.

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 moneys adjudged or decreed to be payable.

Notwithstanding anything to the contrary contained in the Indenture or in any other agreement evidencing or securing the Bonds, the rights of the Trustee, or any party acting under, through or on behalf of the Trustee, to enforce any rights or remedies under any agreement collaterally assigned to the Trustee as security for the Bonds to which the Developer or the maker of the "Completion Guaranty" delivered pursuant to Section 4.01(b) of the Project Lease (the "Completion Guarantor") is a party (each a "Collateral Agreement"), are limited to only the rights and remedies of the City or the Corporation, as the case may be, under the Collateral Agreements, and nothing in the Indenture or any other agreement evidencing or securing the Bonds is intended to, and shall not be construed to, grant to the Trustee any other rights or remedies under any Collateral Agreement, or to increase or otherwise alter the obligations of the Developer or the Completion Guarantor thereunder, or to limit, diminish, impair or otherwise alter any rights or remedies of the Developer or the Completion Guarantor, or any obligations of the City or the Corporation, as the case may be, thereunder; nor shall any default under the Indenture or any other agreement evidencing or securing the Bonds, or any action taken to enforce same relieve, release, defer, delay or in any way discharge the City or the Corporation, as the case may be, from, or constitute a waiver of or defense to, the payment or performance of, any of their respective obligations to the Developer or the Completion Guarantor under any Collateral Agreement.

**Section 11.04 Priority of Payments after Default.** (a) Except as limited by paragraph (b) of this Section, if at any time the moneys held by the Trustee hereunder and under each Supplemental Indenture shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of Section 11.02 hereof), such moneys together with any moneys then available or

thereafter becoming available for such purpose, whether through exercise of the remedies provided for in this Article XI or otherwise, shall be applied (after payment of all amounts owing to the Trustee hereunder) as follows:

(i) Unless the principal of all the Bonds shall have become or been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption in the order of their due dates and, if the amount available shall not be sufficient to pay in full all such amounts due on any date, then to the payment thereof ratably, according to the amount of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Bonds shall have become or been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

(b) Moneys in the Construction Fund shall not be applied as provided in paragraph (a) of this Section unless such moneys are in excess of the sum of the following: (i) the amount required to pay Project Cost Requisitions theretofore submitted to the Trustee but not yet paid; (ii) the amount, certified to the Trustee by the Corporation, for which the Developer has submitted one or more "Payment Applications" in accordance with the Project Lease that is either (A) not being disputed by the Corporation in accordance with the applicable provisions of the Project Lease, or (B) if same is being disputed by the Corporation pursuant to the applicable provisions of the Project Lease, is the subject of an arbitration pursuant to Article 9 of the Project Lease, but for which, in either each case, no Project Cost Requisition has been submitted; (iii) the amount, certified to the Trustee by the Developer, as required to pay Costs of the Project related to work theretofore performed or for so-called "long lead items" or items theretofore fabricated offsite, but for which no Payment Application has been submitted in accordance with the Project Lease or, if previously included in a Payment Application, was not previously approved by the Corporation's "Tenant Representative" under the Project Lease; and (iv) amounts held in the Construction Fund as a retainage and withheld from payments for Costs of the Project for which moneys have been advanced in accordance with a prior Project Cost

Requisition; **provided, however,** that with respect to amounts certified by the Developer pursuant to clause (iii) above the amount set forth in such certification shall in no event include amounts for work performed more than sixty (60) days prior to the date of such certification other than "long lead items" or items theretofore fabricated offsite for which Developer is not then receiving monthly requisitions from its contractor, subcontractors or suppliers or amounts in respect of items constituting change orders which are then being negotiated or processed. Moneys in the Construction Fund held for such purposes shall be disbursed by the Trustee for payment of the Costs of the Project in accordance with Section 5.04, and moneys held for such purposes by the Corporation shall be disbursed by the Corporation in accordance with the applicable provisions of the Project Lease, in each case free and clear of any trust, pledge, lien, encumbrance or security interest created hereby.

(c) The provisions of this Section are in all respects subject to the provisions of Section 7.02 hereof.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for application in accordance with the provisions of this Section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, to any Holder of Bonds or to any other person for any delay in applying any such moneys so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions hereof as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Amounts held by the Trustee after payments to be made pursuant to this Section 11.04 have been made and no Bonds are Outstanding shall be paid and applied in accordance with Section 12.01 hereof.

**Section 11.05 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 11.06 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 twenty-five per centum (25%) 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 11.07 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 twenty-five per centum (25%) 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 11.08 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 11.09 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.

**Section 11.10 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 an 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 twenty-five per centum (25%) 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 11.11 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 moneys 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 the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Corporation the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the City. Such moneys 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 moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys 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 moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, 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, 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 by their terms subject to redemption 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 moneys are 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 and (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. 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 moneys 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 moneys 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 moneys 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 the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Corporation the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the City. The moneys 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 moneys, or Defeasance Securities and moneys, 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 moneys 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 the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Corporation the amount certified by an Authorized Officer of the Corporation to be

then due or past due pursuant to the Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the City. The moneys 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 moneys 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 moneys 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 the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Corporation the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the City. The moneys 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 moneys 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 moneys were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys 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 moneys 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.

(f)

**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 Moneys and Funds Held for Particular Bonds.** The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, 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, Sinking Fund Installments, if any, 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; **provided, however,** that with respect to the provisions hereof which require the Trustee to pay or deliver to the City any moneys held by the Trustee hereunder, such provisions shall also be for the benefit of the City and, upon the failure of the Trustee to comply therewith, the City shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law; **provided, further,** that the provisions of the last paragraph of Section 11.03 are intended to be for the benefit of the Developer and the provisions of Section 5.04(d) and Section 11.04(b) hereof are expressly intended to be for the benefit of the Developer to the extent that such Sections require payments to be made to the Developer or moneys for such payments to be reserved in the Construction Fund, but only if and to the extent that the Developer has complied with the provisions of such Sections. 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, 38<sup>th</sup> Floor, New York, New York 10041, to the attention of the "Municipal Structured Group."

**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 Operations, 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.

**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.

**JAY STREET DEVELOPMENT CORP.**

By: Marjorie E. Henning  
Name: Marjorie E. Henning  
Title: Vice President and Secretary  
THE BANK OF NEW YORK, as Trustee

By: Thomas J. Provenzano  
Name: Thomas J. Provenzano  
Title: Vice President

**EXHIBIT A**

**FORM OF  
PROJECT COST REQUISITION**

The Bank of New York  
Corporate Trust Administration  
101 Barclay Street, 8W  
New York, NY 10286

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

Ladies and Gentlemen:

In connection with the Construction Fund relating to the Fiscal [INSERT SERIES

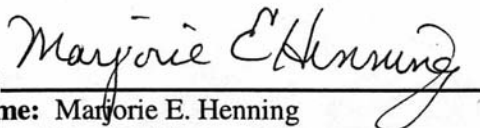
**YEAR]** Series Bonds established under a Trust Indenture dated as of May 1, 2001 (the "Indenture") by and between the Jay Street Development Corp. (the "Corporation") and The Bank of New York, as Trustee, as may be amended and supplemented to the date hereof, in connection with the Corporation's Courts Facility Lease Revenue Bonds (New York City - Jay Street Project) Fiscal **[INSERT SERIES YEAR]** Series Bonds, the undersigned Authorized Officer of the Corporation hereby requests disbursement to **[INSERT PAYEE]** for **[STATE PURPOSE IN TERMS SUFFICIENT FOR IDENTIFICATION]**, in the amount of **[\$[STATE AMOUNT]]**.

**[In the case of a payment to the Developer or a payment to be made pursuant to Article 18 of the Project Lease upon substantial completion of the Project, in either case for the Costs of the Project, insert the following:]** The Corporation has received all of the documents required by the Project Lease as a condition precedent to such payment and such payment is due as rent or otherwise under the Project Lease.

**[In the case of a payment to any other person, insert the following:]** Such purpose stated above constitutes a proper purpose for which moneys 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.

**JAY STREET DEVELOPMENT CORP.**

By:   
Name: Marjorie E. Henning  
Title: Vice President and Secretary

**EXHIBIT B**

**FORM OF  
PROJECT OPERATION EXPENSE REQUISITION**

The Bank of New York  
Corporate Trust Administration  
101 Barclay Street, 8W  
New York, NY 10286

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For example, payment to the Developer, a payment to be made pursuant to Article 18 of the Project Lease or other identified purpose.

Re: Fiscal **[INSERT SERIES YEAR]** Series Bonds - Project Operation Expense

Ladies and Gentlemen:

In connection with the Project Operating Fund relating to the Fiscal **[INSERT SERIES YEAR]** Series Bonds established under the Trust Indenture dated as of May 1, 2001 (the "Indenture") by and between the Jay Street Development Corp. (the "Corporation") and The Bank of New York, as Trustee, as may be amended and supplemented to the date hereof, in connection with the Corporation's Courts Facility Lease Revenue Bonds (New York City - Jay Street Project) Fiscal **[INSERT SERIES YEAR]** Series Bonds, the undersigned Authorized Officer of the Corporation hereby requests disbursement to **[INSERT PAYEE]** for **[STATE PURPOSE IN REASONABLE DETAIL]**, in the amount of **[\$[INSERT AMOUNT]]**. Capitalized terms used but not defined herein have the meaning set forth in the Indenture.

**JAY STREET DEVELOPMENT CORP.**

By: Marjorie E. Henning  
Name: Marjorie E. Henning  
Title: Vice President and Secretary

Dated: \_\_\_\_\_