New York City Housing Development Corporation

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Residential Revenue Bonds

(College of Staten Island Residences)

Bond Resolution

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Adopted: _____________, 2012
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APPENDIX A — TERMS OF THE 2012 BONDS
APPENDIX B — FORM OF REGISTERED BOND
Residential Revenue Bonds  
(College of Staten Island Residences)  
Bond Resolution

BE IT RESOLVED by the Members of the New York City Housing Development Corporation as follows:

ARTICLE I

SHORT TITLE, DEFINITIONS, INTERPRETATION

Section 1.1. Short Title. This resolution may hereafter be cited by the Corporation and is hereinafter sometimes referred to as the “Resolution”.

Section 1.2. Definitions. In this Resolution, unless the context otherwise requires, the following words and terms shall have the following meanings:

“Account” means one of the special accounts (other than the Rebate Fund) created and established pursuant to this Resolution.

“Accountant” means such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by the Corporation and satisfactory to the Trustee and may be the accountant or firm of accountants who regularly audit the books and accounts of the Corporation.

“Act” means the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York), as amended.

“Additional Bonds” means Bonds, other than the 2012 Bonds, authorized pursuant to Section 2.8 hereof.

“Administrative Fee” means the administrative fee of the Corporation in the amount set forth in the Commitment, plus the amount specified in a Supplemental Resolution in connection with the issuance of Additional Bonds.

“Authorized Newspaper” means a newspaper or financial journal, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, which is of general circulation in the Borough of Manhattan, City and State of New York.

“Authorized Officer” means (a) when used with respect to the Corporation, the Chairperson, Vice-Chairperson, President, Executive Vice President or any Senior Vice President of the Corporation and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Corporation then authorized to perform such act or discharge such duty; (b) when used with respect to the Mortgagor, any officer of the Mortgagor then authorized to act for the Mortgagor and, in the case of any act to be performed or duty to be discharged, any officer or employee of the Mortgagor then authorized to perform such act or
discharge such duty; and (c) when used with respect to the Trustee, any Vice President or Assistant Vice President of the Trustee then authorized to act for the Trustee, and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Trustee then authorized to perform such act or discharge such duty.

“Beneficial Owner” means, whenever used with respect to a 2012 Series A Bond or a 2012 Series B Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person’s subrogee.

“Bond” means one of the bonds to be authenticated and delivered pursuant to this Resolution.

“Bond Counsel to the Corporation” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Corporation and satisfactory to the Trustee.

“Bond Counsel’s Opinion” means an opinion signed by Bond Counsel to the Corporation.

“Bond Insurance Policy” means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on Bonds of a particular Series when due.

“Bond Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, as issuer of the Bond Insurance Policy, or any successor thereto or assignee thereof.

“Bond owner” or “owner” or “Bondholder” or “holder” or words of similar import, when used with reference to a Bond, means any person who shall be the registered owner of any Outstanding Bond.

“Bond Proceeds Account” means the Bond Proceeds Account established pursuant to this Resolution.

“Bond Year” means a twelve-month period commencing on the first day of July of any year.

“Business Day” means a day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in the City of New York, New York, or the city in which the Principal Office of the Trustee is located, are required or authorized by law to close, (c) a day on which the New York Stock Exchange is closed, or (d) a day on which DTC is closed.

“Capitalized Interest Sub-Account” means the Capitalized Interest Sub-Account established in the Bond Proceeds Account pursuant to this Resolution.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor of DTC with respect to the 2012 Series A Bonds or the 2012 Series B Bonds.
“Certificate” means (a) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Resolution or (b) the report of an accountant as to audit or other procedures called for by this Resolution.

“City” means The City of New York, a municipal corporation organized and existing under and pursuant to the laws of the State.


“Commitment” means the Financing Commitment and Agreement, dated [________], 2012, between the Corporation and the Mortgagor, as the same may be amended or supplemented from time to time.

“Corporation” means the New York City Housing Development Corporation, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Corporation.

“Costs of Issuance” means with respect to the issuance and sale of a Series of Bonds, all items of expense, directly or indirectly payable or reimbursable by or to the Corporation and related to the authorization, sale and issuance of Bonds, including but not limited to underwriting discount or fee, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, bond insurance premiums, surety bond premiums, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, the financing fee of the Corporation, and any other cost, charge or fee in connection with the original issuance of Bonds.

“CUNY” means The City University of New York, a separate and distinct body corporate duly existing under the laws of the State of New York, located in the City and State of New York, being the legal successor to the Board of Higher Education in The City of New York, and any body, agency or instrumentality of the State of New York which succeeds to the rights, powers, duties and functions of the City University.

“Debt Service” means, with respect to any particular Bond Year, an amount equal to the sum of (i) all interest payable on Outstanding Bonds during such Bond Year, plus (ii) any Principal Installment of such Bonds payable during such Bond Year.

“Debt Service Reserve Account” means the Debt Service Reserve Account established pursuant to this Resolution.

“Debt Service Reserve Account Requirement” means, at the time of computation, the aggregate of the amounts established for each Series of Bonds at least equal, for each such Series, to the maximum Debt Service payments due on such Series of Bonds for the then current or (if greater) any future Bond Year.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors or assigns.
“Escrow Payments” means and includes all amounts whether paid directly to the Corporation or to the Servicer representing payments to obtain or maintain mortgage insurance or any subsidy with respect to the Mortgage Loan or the mortgaged premises or payments in connection with real estate taxes, leasehold payments, assessments, water charges, sewer rents, fire or other insurance, replacement or operating reserves or other like payments in connection therewith.

“Event of Default” means any of the events specified in Section 10.1 as an Event of Default.

“Government Obligations” means (i) direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations, Separate Trading of Registered Interest and Principal of Securities (STRIPS) and Coupons Under Book-Entry Safekeeping (CUBES), provided the underlying United States Treasury Obligation is not callable prior to maturity, and (ii) obligations of the Resolution Funding Corporation, including, but not limited to, obligations of the Resolution Funding Corporation stripped by the Federal Reserve Bank of New York.

“Interest Payment Date” means any date upon which interest on the Bonds is due and payable in accordance with their terms.

“Investment Securities” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Corporation under the Act, including the amendments thereto hereafter made, or under other applicable law:

(a) Government Obligations;

(b) Any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: Government National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit System Banks Consolidated Obligations, and Tennessee Valley Authority;

(c) Any bond, debenture, note, participation certificate or other similar obligation issued by any Federal agency and backed by the full faith and credit of the United States of America;

(d) Any other obligation of the United States of America or any of the Federal agencies listed in clause (b) above which may be purchased by New York State Savings Banks;

(e) Deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described above, or fully insured by the Federal Deposit Insurance Corporation, and (ii) made with banking institutions, or their parents which have unsecured debt rated in the highest short-term rating category of each Rating Agency then rating the Bonds;
(f) Any participation certificate of the Federal Home Loan Mortgage Corporation and any mortgage-backed securities of the Federal National Mortgage Association; and

(g) Short-term corporate obligations, known as Commercial Paper, with a maturity of up to ninety days which are issued by corporations that are rated in the highest short term rating category by each Rating Agency then rating the Bonds.

"Letter of Representations" means the Blanket Issuer Letter of Representations, dated April 26, 1996, from the Corporation to DTC, applicable to each Series of the 2012 Bonds.

"Loan Agreement" means, collectively, the Building Loan Agreement and the Project Loan Agreement, each dated as of [January ___], 2012, by and between the Corporation and the Mortgagor with respect to the Mortgage Loan, as the same may be amended or supplemented from time to time.

"Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

"Mortgage” means, collectively, the First Building Loan Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement and the First Project Loan Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (together with all addenda and riders thereto), each dated as of [January ___], 2012, executed by the Mortgagor with respect to the Project securing the Mortgage Loan, as the same may be amended, modified or supplemented from time to time.

"Mortgage Documents” means, collectively, (a) the Mortgage, (b) the Mortgage Note and (c) all other documents evidencing, securing or otherwise relating to the Mortgage Loan, other than the Loan Agreement and the Support Agreement.

"Mortgage Loan” means the interest-bearing loan, evidenced by the Mortgage Note and secured by the Mortgage, made by the Corporation to the Mortgagor pursuant to the Loan Agreement.

"Mortgage Note” means, collectively, the First Building Loan Mortgage Note and the First Project Loan Mortgage Note (together with all addenda thereto), each dated [January ___], 2012 and executed by the Mortgagor in favor of the Corporation, as the same may be amended, modified or supplemented from time to time.

"Mortgagor” means CSI Student Housing, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of New York, and its successors and permitted transferees as owner of the Project.

"Mortgagor Tax Certification” “means, with respect to a Series of Bonds to which the covenants in Section 7.9 of this Resolution are applicable, the tax certification of the Mortgagor delivered to the Corporation and Bond Counsel in connection with the issuance of such Series of Bonds.
“Outstanding”, when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

(1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(2) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in a redemption account thereunder, either:

(a) moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

(b) Government Obligations or other obligations described in Section 13.1(B), in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

(c) any combination of (a) and (b) above;

(3) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 6.6 or Section 9.6; and

(4) any Bond deemed to have been paid as provided in subsection (B) of Section 13.1.

“Participants” means those broker-dealers, banks and other financial institutions for which DTC holds 2012 Bonds as securities depository.

“Permitted Encumbrances” means such liens, encumbrances, declarations, reservations, easements, rights-of-way and other clouds on title as do not materially impair the use or value of the premises for the intended purpose.

“Pledged Receipts” means (i) the scheduled or other payments required by the Mortgage Loan and paid to or to be paid to the Corporation from any source, including both timely and delinquent payments, (ii) accrued interest, if any, received upon the initial issuance of the Bonds, (iii) all income earned or gain realized in excess of losses suffered on any investment or deposit of moneys in the Accounts established and maintained pursuant to the Resolution, and (iv) Support Payments with respect to scheduled principal of and/or interest on the Bonds, but shall not mean or include amounts required to be deposited into the Rebate Fund, Recoveries of Principal, any Escrow Payments, late charges or any amount entitled to be retained by the
Servicer (which may include the Corporation), as administrative, financing, extension or settlement fees of the Servicer.

"Principal Installment" means, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with this Resolution of Sinking Fund Payments payable before such future date plus (ii) the unsatisfied balance, determined as provided in subsection 5.4(E), of any Sinking Fund Payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance.

"Principal Office", when used with respect to the Trustee, shall mean Deutsche Bank Trust Company Americas, 60 Wall Street, 27th Floor, New York, New York, 10005-2836, Attention: ____________________________, or such other offices designated to the Corporation in writing by the Trustee.

"Project" means the residential housing development on the campus of The College of Staten Island located at 2800 Victory Boulevard in the Borough of Staten Island and County of Richmond, in the City and State of New York.

"Rating Agency" means each national rating agency which had originally rated the Bonds at the request of the Corporation and is then maintaining a rating on the Bonds.

"Rebate Amount" means, with respect to a particular Series of Bonds to which the covenants of Section 7.9 of this Resolution are applicable, the amount, if any, required to be deposited in the Rebate Fund in order to comply with the covenants contained in Section 7.9 of this Resolution.

"Rebate Fund" means the Rebate Fund established pursuant to this Resolution.

"Record Date" means that day which is the fifteenth (15th) day of the calendar month preceding any Interest Payment Date.

"Recoveries of Principal" means all amounts received by the Corporation or the Trustee as or representing a recovery of the principal amount disbursed by the Trustee in connection with the Mortgage Loan, including any premium or penalty with respect thereto, on account of (i) the advance payment of amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor; (ii) the sale, assignment, endorsement or other disposition of the Mortgage Loan, the Mortgage, or the Mortgage Note; (iii) the acceleration of payments due under the Mortgage Loan or the remedial proceedings taken in the event of default on the Mortgage Loan or Mortgage; (iv) Support Payments other than with respect to scheduled principal of and/or interest on the Bonds; (v) proceeds of any insurance award resulting from the damage or destruction of the Project which are to be applied to payment of the Mortgage Note pursuant to the Mortgage; and (vi) proceeds of any condemnation award resulting from the taking by condemnation (or by agreement of interested parties in lieu of condemnation) by any
governmental body or by any person, firm, or corporation acting under governmental authority, of title to or any interest in or the temporary use of, the Project or any portion thereof, which proceeds are to be applied to payment of the Mortgage Note pursuant to the Mortgage.

“Redemption Account” means the Redemption Account established pursuant to this Resolution.

“Redemption Date” means the date or dates upon which Bonds are to be called for redemption pursuant to this Resolution.

“Redemption Price” means, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“Regulatory Agreement” means the Regulatory Agreement, dated as of the date of initial issuance of the 2012 Bonds, by and between the Corporation, the Mortgagor and College of Staten Island Auxiliary Services Corporation, Inc., as the same may be amended or supplemented from time to time.

“Related Document” means this Resolution[, the Loan Agreement, the Mortgage Documents and the Support Agreement].

“Resolution” means this Bond Resolution and any amendments or supplements made in accordance with its terms.

“Revenue Account” means the Revenue Account established pursuant to this Resolution.

“Revenues” means the Pledged Receipts and Recoveries of Principal.

“Series” means the 2012 Bonds or any series of Additional Bonds.

“Servicer” means any person appointed to service the Mortgage Loan in accordance with Section 7.13 of this Resolution.

“Sinking Fund Payment” means, with respect to a particular Series, as of any particular date of calculation, the amount required to be paid at all events by the Corporation on a single future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by the Corporation by reason of the maturity of a Bond or by call for redemption at the election of the Corporation.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw Hill Companies, Inc., and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“State” means the State of New York.

“Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the Corporation and effective in accordance with Article VIII.
“Support Agreement” means the Support Agreement, dated as of [January ____], 2012, from CUNY to the Corporation and the Trustee, as from time to time amended and supplemented in accordance therewith and herewith.

“Support Payments” means the payments made by CUNY under the Support Agreement with respect to the Bonds.

“Support Payments Sub-Account” means the Support Payments Sub-Account established in the Revenue Account pursuant to this Resolution.

“Trustee” means the trustee designated as Trustee herein and its successor or successors and any other person at any time substituted in its place pursuant to this Resolution.

“2012 Bonds” means the Bonds authorized to be issued pursuant to Section 2.4 hereof and designated the “2012 Series A Bonds” and the “2012 Series B Bonds”.

“2012 Series A Bonds” means the Corporation’s Residential Revenue Bonds (College of Staten Island Residences), 2012 Series A, authorized pursuant to Section 2.4 hereof.

“2012 Series B Bonds” means the Corporation’s Residential Revenue Bonds (College of Staten Island Residences), 2012 Series B, authorized pursuant to Section 2.4 hereof.

Section 1.3. Interpretation. (A) In this Resolution, unless the context otherwise requires:

(1) the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Resolution, refer to this Resolution, and the term “heretofore” means before, and the term “hereafter” means after, the date of adoption of this Resolution;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(3) words importing persons shall include firms, limited liability companies, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) any headings preceding the texts of the several Articles and Sections of this Resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect;

(5) if at any time there shall be one person who shall be the owner of all of the Outstanding Bonds and the consent of the Trustee shall be required under this Resolution, such consent means the consent of such person, unless such person (other than the Bond Insurer) shall have been notified and shall not have responded within a reasonable period of time;
(6) this Resolution shall be governed by and construed in accordance with the applicable laws of the State;

(7) any publication to be made under the provisions of this Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers. If, because of the temporary or permanent suspension of the publication or general circulation of any of the Authorized Newspapers for any other reason, it is impossible or impractical to publish any notice pursuant to this Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice;

(8) words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of said Bond;

(9) the date upon which any Sinking Fund Payment is required to be paid pursuant to this Resolution and the provisions of the Bonds shall be deemed to be the date upon which such Sinking Fund Payment is payable and the Outstanding Bonds to be retired by application of such Sinking Fund Payment shall be deemed to be the Bonds entitled to such Sinking Fund Payment;

(10) whenever in this Resolution the Corporation is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Corporation contained in this Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Corporation, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Resolution;

(11) any moneys, documents, securities, obligations or other items received by the Trustee pursuant to the terms of this Resolution shall be deemed to have been received by the Corporation; and

(12) when used in this Resolution, if an action is specified to occur on a certain day, the term “day” shall mean a Business Day, unless the context requires otherwise.

(B) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Trustee, the Mortgagor, CUNY, the Bond Insurer and the owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Trustee, the
Mortgagor, CUNY (as a third-party beneficiary), the Bond Insurer (as a third-party beneficiary) and the owners of the Bonds.

(C) If any one or more of the covenants or agreements provided herein on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or agreement shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

(D) All resolutions or parts of resolutions or other proceedings of the Corporation with respect to the Mortgage Loan in conflict with this Resolution are repealed insofar as such conflict exists. This provision shall not affect any actions taken by the Corporation constituting official action in accordance with the Code with respect to the Mortgage Loan.

(E) All references to Section numbers or Article numbers which do not specify the document to which such Section numbers or Article numbers relate shall be deemed to refer to Section numbers or Article numbers, as the case may be, contained in this Resolution. All references to Appendix A or Appendix B which do not specify the document to which such Appendices relate shall be deemed to refer to Appendix A or Appendix B as the case may be, to this Resolution.
ARTICLE II

TERMS OF BONDS

Section 2.1. Authorization for Resolution and Bonds. This Resolution and the issuance of Bonds hereunder have been duly authorized by the Corporation and the principal amount of Bonds that may be issued hereunder is not limited except as provided herein or by law. The Corporation has ascertained and it is hereby determined and declared that the adoption of this Resolution is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the Corporation in accordance with the Act and to carry out powers expressly given in the Act, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the purposes of the Corporation under the Act.

Section 2.2. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of this Resolution shall be a part of the contract of the Corporation with the owners of the Bonds and shall be deemed to be and shall constitute a contract among the Corporation, the Trustee and the owners from time to time of such Bonds. The pledges and assignments made hereby and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Corporation shall be for (i) the equal benefit, protection and security of the owners of any and all of such Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Resolution.

Section 2.3. Obligation of Bonds. (A) This Resolution authorizes an issue of Bonds of the Corporation and creates a continuing pledge and lien on the Revenues and assets pledged hereunder to secure the full and final payment of the principal and Redemption Price of and interest on such Bonds, including any Sinking Fund Payments for the retirement thereof. The Bonds shall be special revenue obligations of the Corporation payable solely from the revenues and assets pledged therefor pursuant to this Resolution. The Bonds shall contain on their face a statement that the Bonds shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor.

(B) The Revenues and all amounts held in any Account, including investments thereof, are hereby pledged to the Trustee for the benefit of the Bond owners to secure the payment of the principal or Redemption Price of and interest on the Bonds (including the Sinking Fund Payments for the retirement thereof), all in accordance with their terms and the provisions of this Resolution, subject only to the provisions of this Resolution permitting the use and application thereof for or to the purposes and on the terms and conditions herein set forth. The foregoing pledge does not include amounts on deposit or required to be deposited in the Rebate Fund. To the fullest extent provided by the Act and other applicable laws, the money and property hereby pledged shall immediately be subject to the lien of such pledge without any
physical delivery thereof or further act and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

Section 2.4. **Authorization, Designation, Principal Amount and Purpose of Bonds.** (A) In order to provide sufficient funds to finance the Mortgage Loan, Bonds of the Corporation are hereby authorized to be issued without limitation as to amount except as may be provided by law. No Bonds shall be issued unless and until the conditions contained in Section 2.6, Section 2.9 and, if applicable, Section 2.8 are satisfied.

(B) The Corporation hereby authorizes the issuance of Residential Revenue Bonds (College of Staten Island Residences), 2012 Series A, in the aggregate principal amount of $____________ and Residential Revenue Bonds (College of Staten Island Residences), 2012 Series B, in the aggregate principal amount of $____________, for the purpose of making a deposit into the Bond Proceeds Account in order to finance the Mortgage Loan. The Corporation is of the opinion and hereby determines that the issuance of the 2012 Bonds in said amounts is necessary to provide sufficient funds for such purpose.

(C) Unless otherwise specified in a Supplemental Resolution, the Bonds shall bear the title “Residential Revenue Bonds (College of Staten Island Residences)” and an appropriate Series designation.

Section 2.5. **Issuance and Delivery of Bonds.** After their authorization by the Corporation, Bonds may be executed by or on behalf of the Corporation and delivered to the Trustee for authentication and, upon compliance by the Corporation with the requirements of Section 2.6, Section 2.9 and, if applicable, Section 2.8, the Trustee shall thereupon authenticate and deliver such Bonds upon the order of the Corporation.

Section 2.6. **Conditions Precedent to Delivery of Bonds.** The Bonds shall be executed by the Corporation for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered upon the order of the Corporation, but only upon the receipt by the Trustee of:

1. a copy of this Resolution and, if applicable, a Supplemental Resolution authorizing such Bonds, certified by an Authorized Officer of the Corporation, which shall specify:
   a. the authorized principal amount and designation of such Bonds;
   b. the purposes for which such Bonds are being issued, which shall be one or more of the following: (i) the making of deposits into the Bond Proceeds Account, (ii) the making of deposits in the amounts, if any, required or permitted by this Resolution into the Revenue Account and the Debt Service Reserve Account, (iii) the refunding of Bonds or (iv) any combination of the foregoing;
   c. the dated dates and maturity dates of such Bonds;
(d) the interest rate or rates on such Bonds (or the manner of determining such rate or rates) and the Interest Payment Dates therefor;

(e) the denominations of, and the manner of dating, numbering and lettering, such Bonds;

(f) the Trustee and the places of payment of such Bonds or, subject to Article XI, the manner of appointing and designating the same;

(g) the Redemption Prices, if any, of and, subject to the provisions of Article VI, the redemption terms for such Bonds;

(h) the amounts and due dates of the Sinking Fund Payments, if any, for any of such Bonds;

(i) provisions for the sale of such Bonds;

(j) provisions concerning the forms of such Bonds, and of the Trustee's certificate of authentication; and

(k) any other provisions deemed advisable by the Corporation as shall not conflict with the provisions hereof;

(2) a Bond Counsel's Opinion to the effect that (i) this Resolution and the Supplemental Resolution, if any, have been duly adopted by the Corporation and are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)); (ii) this Resolution and, if applicable, such Supplemental Resolution create the valid pledge and lien which it or they purport to create of and on the Revenues and all the Accounts established hereunder and moneys and securities on deposit therein, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by this Resolution and such Supplemental Resolution; and (iii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such Opinion, and in accordance with this Resolution and such Supplemental Resolution;

(3) a written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation;

(4) the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to Section 4.1;

(5) moneys sufficient to cause amount on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement;
(6) with respect to the 2012 Bonds or if required with respect to any Additional Bonds, the Bond Insurance Policy;

(7) with respect to the 2012 Bonds, executed copies of the Loan Agreement, the Regulatory Agreement, the Mortgage, the Mortgage Note and the Support Agreement, and with respect to Additional Bonds, such documents as are specified in the Supplemental Resolution authorizing same; and

(8) such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Resolution adopted pursuant to Article VIII.

Section 2.7. Terms of Bonds. The 2012 Bonds shall be dated, shall mature, shall bear interest, shall be subject to redemption and purchase, and shall have such other characteristics as set forth for the 2012 Bonds in Appendix A hereto. Additional Bonds shall contain such terms and provisions as are specified in the Supplemental Resolution authorizing the same.

Section 2.8. Additional Bonds. Additional Bonds may be issued, at the option of the Corporation, on a parity with the Bonds then Outstanding, for the purposes of (i) financing costs of completion of the Project, (ii) refunding Bonds, (iii) establishing reserves for such Additional Bonds, (iv) paying the Costs of Issuance related to such Additional Bonds, (v) the funding of capitalized interest, or (vi) any combination of the foregoing. Additional Bonds shall contain such terms and provisions as are specified in the Supplemental Resolution authorizing the same. The Supplemental Resolution authorizing such Additional Bonds shall utilize, to the extent possible, Accounts established for the Outstanding Bonds.

Section 2.9. Tax Certifications. No Bonds shall be issued until the Corporation and Bond Counsel to the Corporation shall have received, in form and substance satisfactory to them, those portions of the Mortgagor Tax Certification required to be delivered on or prior to the date of issuance of the particular Series of Bonds.
ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.1. Medium of Payment, Denominations, Maturities, Form and Date.
(A) The Bonds shall be payable 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.

(B) All 2012 Bonds shall be in the denomination of $5,000 or any whole multiple thereof. Additional Bonds shall be in such denominations as are specified by the Supplemental Resolution authorizing same.

(C) The principal of and interest on the 2012 Bonds shall be due and payable on the dates set forth in Appendix A hereto and the principal of and interest on Additional Bonds shall be due and payable on the date or dates set forth in the Supplemental Resolution authorizing same.

(D) Bonds shall be issued solely in fully registered form, without coupons, substantially in the form set forth in (i) Appendix B hereto, in the case of the 2012 Bonds, and (ii) the Supplemental Resolution authorizing any Additional Bonds, in the case of any Additional Bonds, in each case with such necessary and appropriate variations, omissions and insertions as are permitted or required by Appendix A hereto or by the Supplemental Resolution authorizing any Additional Bonds, as the case may be.

(E) All Bonds shall bear interest from their delivery date unless a contrary date is established in the Supplemental Resolution pursuant to which such Bonds are issued. Bonds issued subsequent to the initial delivery date shall bear interest from the later of such date or the most recent date as to which interest has been paid in full on the Bonds. All Bonds shall be dated the date of their authentication and delivery hereunder unless a contrary date is established (i) with respect to the 2012 Bonds, in Appendix A hereof, or (ii) with respect to any Additional Bonds, in the Supplemental Resolution pursuant to which such Additional Bonds are issued.

Section 3.2. Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise.

Section 3.3. Interchangeability of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or such owner's duly authorized attorney, may at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Trustee may make as provided in Section 3.6, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity and any of the authorized denominations.

Section 3.4. Negotiability, Transfer and Registry. All the Bonds issued under this Resolution shall be negotiable subject to the provisions for registration, transfer and
exchange contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Corporation shall maintain and keep, at the corporate trust office of the Trustee, books for the registration, registration of transfer and exchange of Bonds. Upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered in such books, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bonds entitled to registration or registration of transfer. So long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

Section 3.5. Transfer of Bonds. (A) Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the corporate trust office of the Trustee, by the registered owner thereof in person or by such person’s 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 such registered owner’s duly authorized attorney. Upon the registration of transfer of any such Bond, the Corporation shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount, maturity and Series as the surrendered Bond.

(B) The Corporation and the Trustee may deem and treat the person in whose name any 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, if any, of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon such registered owner’s order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary.

Section 3.6. 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 of this Resolution. 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 charges required to be paid with respect to such exchange or transfer, and, except (i) with respect to the delivery of definitive Bonds in exchange for temporary Bonds or (ii) as otherwise provided herein, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon 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. The Corporation shall not be obliged to make any such exchange or transfer of Bonds with respect to any particular Bond after such Bond has been called for redemption.

Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation shall execute and the Trustee shall authenticate a new Bond of like principal amount, Series and other terms as the Bond so mutilated, destroyed, stolen or lost. In the case of a mutilated Bond, such new Bond shall be delivered only upon surrender and cancellation of such mutilated Bond. In the case of Bonds issued in lieu of and substitution for a Bond destroyed, stolen or lost, such new Bond shall
be delivered only upon filing with the Trustee of evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond pursuant to this Section shall comply with such other reasonable regulations as the Corporation and the Trustee may prescribe and pay such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation.


(A) Definitive Bonds shall be lithographed, typewritten or printed. Until definitive Bonds are prepared, the Corporation may execute 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, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bonds are issued, in any authorized denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

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

Section 3.9. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be cremated or otherwise destroyed by the Trustee, who shall execute a Certificate of cremation or destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so cremated or otherwise destroyed, and one executed Certificate shall be filed with the Corporation and the other executed Certificate shall be filed with the Trustee.

Section 3.10. Execution and Authentication. (A) After their authorization hereby or pursuant to a Supplemental Resolution, Bonds may be executed by or on behalf of the Corporation and delivered to the Trustee for authentication. The Bonds shall be executed in the name and on behalf of the Corporation by the manual or facsimile signature of an Authorized Officer of the Corporation and the corporate seal of the Corporation (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of any other Authorized Officer of the Corporation, or in such other manner as may be required 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 delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office 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 employment 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.

(B) The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Appendix B hereto, executed manually by the Trustee. No Bond shall be entitled to any right or benefit under this Resolution or 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 has been so authenticated and delivered under this Resolution and that the owner thereof is entitled to the benefits hereof.

Section 3.11. Book-Entry Provisions. (A) Except as provided in subsection (C) of this Section 3.11, the registered owner of all of the 2012 Bonds shall be Cede & Co., as nominee for DTC and such 2012 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any such Bond registered in the name of Cede & Co. shall be made by wire transfer or Federal or equivalent same day funds to the account of Cede & Co. on the interest payment date for such Bonds at the address indicated for Cede & Co. in the registry books of the Corporation kept by the Trustee.

(B) The 2012 Bonds shall be initially issued in the form of separate single authenticated fully registered Bonds for each Series in the amount of each separate stated maturity of such Series and “CUSIP” number of such 2012 Bonds. Upon initial issuance, the ownership of the 2012 Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Corporation may treat DTC (or its nominee) as the sole and exclusive owner of the 2012 Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the 2012 Bonds, selecting the 2012 Bonds of each Series or portions thereof to be redeemed, giving any notice permitted or required to be given to owners of the 2012 Bonds under the Resolution, registering the transfer of such Bonds, obtaining any consent or other action to be taken by owners of the 2012 Bonds and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. The Trustee and the Corporation shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the 2012 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Trustee as being an owner of the 2012 Bonds, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the 2012 Bonds; any notice which is permitted or required to be given to owners of the 2012 Bonds under the Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the 2012 Bonds; or any consent given or other action taken by DTC as owner of the 2012 Bonds. The Trustee shall pay all principal of, and premium, if any, and interest on the 2012 Bonds only to or “upon the order of” Cede & Co., as nominee for DTC (as that term is used in the Uniform Commercial Code as adopted in the State), and all such payments shall be valid and effective to fully satisfy and discharge the Corporation’s obligations with respect to the principal of, and premium, if any, and interest on the 2012 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated 2012 Bond of each Series for each separate stated maturity evidencing the obligation of the Corporation to make payments of principal of and premium, if
any, and interest on such 2012 Bonds pursuant to the Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to transfers, the word “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

(C) In the event the Corporation determines that it is in the best interest of the Beneficial Owners that they be able to obtain 2012 Series A Bond certificates or 2012 Series B Bond certificates, the Corporation shall notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of such 2012 Series A Bond certificates or 2012 Series B Bond certificates. In such event, the Corporation shall issue, and the Trustee shall authenticate, transfer and exchange, 2012 Series A Bond certificates or 2012 Series B Bond certificates as requested by DTC and any other applicable 2012 Bond owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2012 Series A Bonds or the 2012 Series B Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depositary), the Corporation and the Trustee shall be obligated to deliver 2012 Series A Bond certificates or 2012 Series B Bond certificates as described in the Resolution. In the event 2012 Series A Bond certificates or 2012 Series B Bond certificates are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Corporation and the Trustee to do so, the Trustee and the Corporation will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the 2012 Bonds a Series to any DTC Participant having 2012 Bonds of such Series credited to its DTC account or (ii) to arrange for another securities depositary to maintain custody of certificates evidencing the 2012 Bonds of Series.

(D) Notwithstanding any other provision of this Resolution (except subsection F below) to the contrary, so long as any 2012 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and premium, if any, and interest on such 2012 Bond and all notices with respect to and surrender or delivery of such 2012 Bond shall be made and given, respectively, to or by DTC as provided in the Letter of Representations. Bondholders shall have no lien or security interest in any rebate or refund paid by DTC to the Trustee which arises from the payment by the Trustee of principal of or interest on the 2012 Bonds in immediately available funds to DTC.

(E) In connection with any notice or other communication to be provided to 2012 Bond owners pursuant to the Resolution by the Corporation or the Trustee with respect to any consent or other action to be taken by Bond owners of a Series of 2012 Bonds, the Corporation or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC under this subsection (E) is the sole Bond owner of such Series of 2012 Bonds.
ARTICLE IV
APPLICATION, CUSTODY AND INVESTMENT OF
BOND PROCEEDS AND OTHER AMOUNTS

Section 4.1. Application of Bond Proceeds, Accrued Interest and Premium.
The proceeds of sale of a Series of Bonds, shall, as soon as practicable upon the delivery of such
Bonds by the Trustee, be applied as follows:

(1) the amount, if any, received as accrued interest shall be deposited in the
Revenue Account;

(2) the amount, if any, necessary to cause the amount on deposit in the Debt
Service Reserve Account to equal the Debt Service Reserve Account Requirement
immediately following the time of such delivery shall be deposited in the Debt Service
Reserve Account, together with such additional amount, if any, as may be specified in
this Resolution or the Supplemental Resolution authorizing such Bonds;

(3) with respect to any Series issued for the purpose of refunding Bonds, the
amount, if any, required to pay Costs of Issuance, as designated by an Authorized Officer
of the Corporation, shall be deposited in the Bond Proceeds Account;

(4) with respect to any Series issued for the purpose of refunding Bonds, the
balance remaining after such deposits have been made as specified in (1), (2) and (3)
above shall be applied as specified in the Supplemental Resolution authorizing such
Series; and

(5) with respect to any Series issued for the purpose of financing the
Mortgage Loan, the balance remaining after such deposit has been made as specified in
(1) and (2) above shall be deposited in the Bond Proceeds Account.

Section 4.2. Financing of Mortgage Loan; Conditions Precedent. Amounts in
the Bond Proceeds Account shall not be disbursed for financing the Mortgage Loan unless:

(1) the Mortgage, the Mortgage Note and any other document evidencing or
securing the Mortgage Loan shall have been duly executed and delivered, and, in the
opinion of counsel, who may be counsel to the Mortgagor, constitute valid and binding
agreements between the parties thereto enforceable in accordance with their terms, except
as such enforcement may be limited by operation of bankruptcy, insolvency or similar
laws affecting the rights and remedies of creditors, and any filings or recordings
necessary to establish, preserve and protect the Corporation's interest in the Mortgage
shall have been duly made or provision for such filings and recordings have been made in
accordance with the requirements of existing law;

(2) there shall have been filed with the Trustee, an opinion of counsel, who
may be counsel to the Corporation, to the effect that the Mortgage Loan complies with all
provisions of the Act and this Resolution;
(3) the Mortgage is the subject of a policy of title insurance, in an amount not less than the amount of the unpaid principal balance of the Mortgage Loan, issued by a company or companies satisfactory to the Corporation insuring in favor of the Corporation a first mortgage lien, subject only to Permitted Encumbrances and such reasonable exceptions or qualifications as shall not indicate a substantial impairment of the rights and interest of the Corporation and the owners of the Bonds, on the real property or interests therein securing the Mortgage Loan; and

(4) the Project is insured against loss by fire and other hazards as required by the Corporation; such insurance shall, at a minimum, be in an amount necessary to prevent the Corporation from becoming a co-insurer and in any event in an amount at least equal to the lesser of (i) the maximum insurable value of the Project or (ii) the unpaid principal balance of the Mortgage Loan. Such policy shall be endorsed with the standard mortgagee clause with loss payable to the Corporation.

Section 4.3. **Deposits.** (A) In order to permit amounts held by the Trustee under this Resolution to be available for use at the time when needed, any such amounts may, if and as directed by the Corporation, be deposited in the corporate trust department of the Trustee which may honor checks and drafts on such deposit with the same force and effect as if it were not the Trustee. The Trustee shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(B) All amounts deposited by the Trustee pursuant to subsection (A) above shall be continuously and fully secured (a) by lodging with the Trustee as custodian, as collateral security, Investment Securities having a market value (exclusive of accrued interest) not less than the amount of such deposit, and (b) in such other manner as may then be required by applicable Federal or state laws and regulations regarding security for the deposit of public funds. It shall not be necessary, unless required by applicable law, for the Trustee to give security under this Section for the deposit of any amounts to the extent that such deposit is insured by the Federal Deposit Insurance Corporation, or its successor, or which are held in trust and set aside by the Trustee for the payment of any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations or certificates of deposit (of issuers other than the Trustee) purchased as an investment of such moneys.

(C) All amounts so deposited by the Trustee shall be credited to the particular Account from which such amounts were derived.

Section 4.4. **Investment of Certain Funds.** (A) Subject to the right of the Corporation to direct the investment or deposit of funds hereunder and except as specifically otherwise provided for herein, moneys in any Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee in the highest yield Investment Securities that may be reasonably known to the Trustee, or deposited and redeposited as provided in Section 4.3, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Corporation may (except as provided below) direct the Trustee to, or in the absence of direction, the Trustee shall, invest and reinvest the moneys in any Account in Investment Securities so that the maturity date or date of redemption...
at the option of the owner thereof shall be equal to the lesser of (i) six (6) months or (ii) the dates which coincide as nearly as practicable with (but in no event later than) the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee, and shall be deemed at all times to be part of such Account, and the Trustee shall keep the Corporation advised as to the details of all such investments upon any request therefor.

(B) Investment Securities purchased as an investment of moneys in any Account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such Account but the income or interest earned and gains realized in excess of losses suffered by an Account due to the investment thereof shall be deposited in the Revenue Account or shall be credited as Revenues to the Revenue Account from time to time and reinvested, except as otherwise provided in Section 5.1(C) hereof and except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Investment Security, which shall be retained in the particular Account for which the Investment Security was purchased.

(C) To the extent permitted by law and subject to the limitations on investments included in this Resolution, the Trustee may commingle any amounts on deposit in the Accounts held under this Resolution for the purpose of purchasing Investment Securities. However, the Trustee shall maintain and keep separate accounts of such Accounts at all times.

(D) The Trustee shall, at the direction of the Corporation, use reasonable commercial efforts to sell at the best price obtainable, or present for redemption or exchange, any Investment Security purchased by it pursuant to this Resolution whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Account for which such investment was made.

(E) Upon receipt of written instructions from an Authorized Officer of the Corporation, the Trustee shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to the Resolution for any other coin or currency of the United States of America or Investment Securities of like amount.

Section 4.5. Valuation and Sale of Investments. (A) In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at amortized value or if purchased at par, at par.

(B) Except as otherwise provided herein, the Trustee shall use reasonable commercial efforts to sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be requested in writing by an Authorized Officer of the Corporation to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account held by it. An Investment Security may be credited on a pro rata basis to more than one Account and need not be sold in order to provide for the transfer of amounts from one Account to another.
ARTICLE V
ACCOUNTS

Section 5.1. Establishment of Accounts. (A) The Corporation hereby establishes the following special trust accounts:

(1) Bond Proceeds Account (including the Capitalized Interest Sub-Account therein);
(2) Revenue Account (including the Support Payments Sub-Account therein);
(3) Redemption Account; and
(4) Debt Service Reserve Account.

(B) All such Accounts shall be held and maintained by the Trustee and shall be identified by the Corporation and the Trustee according to the designations herein provided in such manner as to distinguish such Accounts from the accounts established by the Corporation for any other of its obligations. All moneys or securities held by the Trustee pursuant to this Resolution shall be held in trust and applied only in accordance with the provisions of this Resolution and the Act.

(C) Earnings on all Accounts required to be deposited into the Rebate Fund shall be deposited, at least as frequently as the end of each fifth Bond Year and at the time that the last Bond that is part of the issue is discharged, into the Rebate Fund, and earnings on all Accounts not required to be deposited into the Rebate Fund, except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Investment Security, which shall be retained in the particular Account for which the Investment Security was purchased, shall be deposited, as realized, into the Revenue Account. [Notwithstanding the foregoing, earnings on the Capitalized Interest Sub-Account not required to be deposited in the Rebate Fund shall be retained therein.]

(D) There is hereby established a special trust account to be held and maintained by the Trustee and entitled the Rebate Fund, which may be further identified as the Corporation and the Trustee shall determine so as to distinguish it from the Accounts and such other accounts as the Corporation may establish. All moneys, including earnings on amounts deposited therein, deposited or to be deposited in the Rebate Fund shall be held in trust and applied only in accordance with the provisions of this Resolution and the Act.

Section 5.2. Bond Proceeds Account. (A) There shall be deposited from time to time in the Bond Proceeds Account any proceeds of the sale of Bonds representing principal or premium or other amounts required to be deposited therein pursuant to this Resolution and any other amounts determined by the Corporation to be deposited therein from time to time.

(B) Amounts in the Bond Proceeds Account shall be expended only (i) to finance the Mortgage Loan, in accordance with Section 4.2, including capitalized interest, (ii) to pay Costs of Issuance; (iii) to pay principal or Redemption Price of and interest on the Bonds
when due, to the extent amounts in the Revenue Account (including the Support Payments Sub-Account therein), the Redemption Account and the Debt Service Reserve Account are insufficient for such purposes; and (iv) to purchase or redeem Bonds in accordance with subsection (E) of this Section.

(C) The Trustee shall pay out and permit the withdrawal of amounts on deposit in the Bond Proceeds Account at any time for the purpose of making payments pursuant to clause (i) or (ii) of paragraph (B) of this Section, but only upon receipt of:

(1) a written requisition, executed by an Authorized Officer of the Mortgagor (with respect to financing the Mortgage Loan) or the Corporation (with respect to Costs of Issuance), setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Corporation) and, in reasonable detail, the purpose of such withdrawal; and

(2) a Certificate of an Authorized Officer of the Mortgagor or the Corporation, as the case may be, identifying such requisition and stating that the amount to be withdrawn from the Bond Proceeds Account pursuant to such requisition is a proper charge thereon and that, if such requisition is in connection with the financing of the Mortgage Loan, the Mortgage Loan complies with the provisions of this Resolution and that the amount of all payments theretofore or thereupon made by the Corporation does not exceed the amount of the Mortgage Loan and, to the best knowledge of such Authorized Officer, the Mortgagor is not in default (beyond the term of any applicable grace period) under any terms or provisions of the Mortgage Loan.

(D) At any time the Corporation may direct the Trustee in writing to transfer moneys in the Bond Proceeds Account not required for the financing of the Mortgage Loan to the Redemption Account or to apply such moneys directly to the redemption, purchase or retirement of Bonds in accordance with their terms and the provisions of Article VI, whereupon the Trustee shall comply with such direction of the Corporation.

(E) Upon the issuance of a Series of Bonds, there shall be transferred from the Bond Proceeds Account to the Capitalized Interest Sub-Account, the amount, if any, to be used to fund capitalized interest on such Bonds, as designated in a Certificate of an Authorized Officer of the Corporation. Until the depletion of the Capitalized Interest Sub-Account, the Trustee shall, on the third (3rd) Business Day prior to each Interest Payment Date, automatically transfer from the Capitalized Interest Sub-Account to the Revenue Account an amount equal to the interest which shall be payable on such Interest Payment Date with respect to said Bonds (or such lesser amount as may be available).

Section 5.3. Maintenance of Escrows. (A) All amounts, if any, received by the Corporation or other Servicer, as the case may be, as Escrow Payments shall be deposited as promptly as possible in escrow accounts maintained by the Corporation or other Servicer of the Mortgage Loan, as the case may be. Amounts in such escrow accounts, or in any sub-account therein, shall be within the control of the Corporation or other Servicer, as the case may be, and may, but need not, be held by the Trustee. Amounts in such escrow accounts shall not be subject to the lien and pledge of this Resolution. Such amounts may be set aside and held with any
similar funds similarly held and may be applied to any lawful purpose of the Corporation or other Servicer of the Mortgage Loan, as the case may be, subject to the terms of the Mortgage Loan with respect to which such amounts were received and of any agreement between the Corporation and the Mortgagor relating to the Mortgage Loan. All Escrow Payments and all Revenues and other payments received and held by a depository with respect to such Mortgage Loan shall be separately identified.

(B) Upon the happening of an Event of Default specified in Section 10.1 and at the written request of the Trustee or of the owners of not less than 25% in principal amount of the Outstanding Bonds, the Corporation shall take any steps requested by the Trustee or such Bond owners in order to effectuate the assignment of all the Corporation’s right, title and interest in and to the Escrow Payments to the Trustee. If, however, the Trustee and the Bond owners are restored to their positions in accordance with Section 10.4, the Trustee shall assign such Escrow Payments back to the Corporation.

Section 5.4. Revenue Account; Debt Service. (A) The Corporation shall cause all Pledged Receipts (excluding Support Payments) to be deposited promptly with the Trustee in the Revenue Account. There shall also be deposited in the Revenue Account any other amounts required to be deposited therein pursuant to this Resolution, any Supplemental Resolution, the Mortgage Documents and the Loan Agreement.

All Support Payments received by the Trustee under the Support Agreement following notice given in accordance with Section 7.11 hereof, shall be deposited upon receipt in the Support Payments Sub-Account. Amounts on deposit in the Support Payments Sub-Account shall be applied to the payment of the Principal Installments of and interest on the Bonds in accordance with paragraph (B) of this Section 5.4. In the event that any amounts remain in the Support Payments Sub-Account after the required payments on the Bonds have been made on an Interest Payment Date pursuant to said paragraph (B), the Trustee shall transfer such amounts to the Revenue Account.

(B) On or before each Interest Payment Date, the Trustee shall pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such date, and on or before the Redemption Date or date of purchase, the amounts required for the payment of accrued interest on Outstanding Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided for, as follows:

(1) first, from the Revenue Account, and to the extent the moneys therein are insufficient for said purpose,

(2) second, from the Debt Service Reserve Account, and to the extent the moneys therein are insufficient for said purpose,

(3) third, from the Support Payments Sub-Account, and to the extent the moneys therein are insufficient for said purpose,
(4) fourth, from the Redemption Account, and to the extent the moneys therein are insufficient for said purpose,

(5) fifth, from the Bond Proceeds Account, and to the extent the moneys therein are insufficient for said purpose,

(6) sixth, from any other moneys held by the Trustee under this Resolution and available for such purpose.

(C) Any moneys accumulated in the Revenue Account up to the unsatisfied balance of each Sinking Fund Payment (together with amounts accumulated in the Revenue Account with respect to interest on the Bonds for which such Sinking Fund Payment was established) shall, if so directed in writing by the Corporation, be applied by the Trustee on or prior to the forty-fifth day preceding such Sinking Fund Payment (i) to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the Redemption Price for such Bonds when such Bonds are redeemable by application of such Sinking Fund Payment plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee (after consultation with the Corporation) shall determine, or (ii) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above, plus unpaid interest accrued to the date of such redemption.

(D) Upon the purchase or redemption of any Bond pursuant to subsection (C) of this Section, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer of the Corporation at the time of such purchase or redemption. Any such instructions shall be given in such manner as, in the best judgment of the Corporation, shall provide for the payment of the Sinking Fund Payments thereafter to become due from the remaining Revenues to be derived in connection with the Mortgage Loan and any other Revenues expected to be available for such payments after considering the amounts payable pursuant to the Mortgage Loan at such time. The portion of any Sinking Fund Payment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto as provided in subsection (B) of Section 5.5 (or the original amount of any such Sinking Fund Payment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Payment for the purpose of calculating Sinking Fund Payments due on a future date. In the event the Trustee is able to purchase Bonds at a price less than the Redemption Price at which such Bonds were to be redeemed, then, after payment by the Trustee of the purchase price of such Bonds and after payment of any other Debt Service due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such Redemption Price to, or at the direction of, the Corporation.

(E) As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Payment, the Trustee shall proceed to call for redemption pursuant to
Section 6.3, on such due date, Bonds of the maturity for which such Sinking Fund Payment was established in such amount as shall be necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Revenue Account sufficient to pay the applicable Redemption Price thereof on the Redemption Date. The Trustee shall pay out of the Revenue Account the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by the Trustee to such redemption.

(F) On each Interest Payment Date, the Trustee shall deliver to the Corporation a Certificate of an Authorized Officer of the Trustee containing a statement which sets forth, as of such date, the amount remaining in the Revenue Account as of such date, after deducting all payments required to have been made pursuant to subsection (B) of this Section and the amount, if any, required to be transferred to the Debt Service Reserve Account, the Trustee, the entities providing Investment Securities with respect to the Accounts, or any arrangement or agreement with respect thereto, the Corporation, the Servicer, the Bond Proceeds Account and CUNY in order to satisfy the requirement of this Section. Concurrently with the delivery of such Certificate, the Trustee shall transfer from the Revenue Account (after providing for all payments required to have been made pursuant to subsection (B) of this Section) (i) first, to the Debt Service Reserve Account, an amount equal to the amount necessary to be transferred to such Account in order that the amount on deposit therein be equal to the Debt Service Reserve Account Requirement (or such lesser amount as may be available), (ii) second, if so directed by the Corporation, to the Trustee, an amount equal to the Trustee's unpaid fees and expenses, (iii) third, at the direction of the Corporation, to the entities providing Investment Securities with respect to the Accounts, or any arrangement or agreement with respect thereto, an amount equal to any fees due and owing to such entities (or such lesser amount as may be available), (iv) fourth, if so directed by the Corporation, to the Corporation, an amount equal to that portion of the Administrative Fee then due and owing, (v) fifth, if so directed by the Corporation, to the Servicer an amount equal to the Servicer's unpaid fees and expenses, (vi) sixth, to the Bond Proceeds Account, such amount as the Corporation determines is required for financing the Mortgage Loan (or such lesser amount as may be available), and (vii) seventh, provided no amounts are due and owing by the Mortgagor to the Bond Insurer, to CUNY, an amount necessary to reimburse CUNY for amounts obtained from it under the Support Agreement with respect to principal of and interest on the Bonds (or such lesser amount as may be available). The amount remaining after making the transfers or payments required hereinabove shall be retained in the Revenue Account. Such remaining balance shall be used to offset the Mortgagor's obligation under the Mortgage Loan (in direct chronological order of such obligation), unless the Trustee receives a Certificate from the Corporation stating that a default has occurred with respect to any agreement between the Corporation and the Mortgagor. If the Trustee shall thereafter receive a Certificate from the Corporation stating that such default has been cured or waived, such remaining balance shall once again be used to offset the Mortgagor's obligation under the Mortgage Loan (in direct chronological order of such obligation).

(G) Notwithstanding any other provision of this Section, the Trustee may at any time make transfers from the Revenue Account, upon the written direction of an Authorized Officer of the Corporation, to the Redemption Account for the purposes of such Account. No such transfer shall be made, however, unless there is on deposit in the Revenue Account after
such transfer an amount equal to the Debt Service accrued on all Outstanding Bonds as of the date of such transfer.

(H) Notwithstanding any other provision of this Section, no payments shall be required to be made into the Revenue Account so long as the amount on deposit therein shall be sufficient to pay all Outstanding Bonds (including the Sinking Fund Payments for the retirement thereof) in accordance with their terms, and any Revenues thereafter received by the Corporation shall be paid to or at the direction of the Corporation.

Section 5.5. Redemption Account. (A) There shall be deposited in the Redemption Account all Recoveries of Principal and any other amounts which are required to be deposited therein pursuant to this Resolution and any other amounts available therefor and determined by the Corporation to be deposited therein. Subject to the provisions of this Resolution or of any Supplemental Resolution authorizing the issuance of Bonds, requiring the application thereof to the payment, purchase or redemption of any particular Bonds, the Trustee shall apply amounts deposited in the Redemption Account to the purchase or redemption of Bonds at the times and in the manner provided in this Section and Article VI.

(B) At any time before the forty-fifth day prior to the day upon which Bonds are to be paid or redeemed from such amounts, the Trustee shall, if so directed in writing by the Corporation, apply amounts in the Redemption Account to the purchase of any of the Bonds in lieu of redemption. The Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner as the Corporation shall from time to time direct. The foregoing notwithstanding, any moneys in the Redemption Account resulting from Recoveries of Principal shall be applied to the purchase or redemption of Bonds in such manner that, as nearly as may be reasonably possible, Debt Service on the Bonds shall be lessened in relation to the lessening of annual revenues that would have been received from the Mortgage Loan. In the event that Sinking Fund Payments have been established for the Bonds so purchased or redeemed, such Sinking Fund Payments shall be credited in the manner provided in Section 5.4(D). The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased shall not exceed the Redemption Price on such Bonds, if then subject to redemption, or if not subject to redemption, the Redemption Price payable on any such date upon which such Bond is next subject to redemption other than from Sinking Fund Payments. In the event the Trustee is able to purchase Bonds at a price less than the Redemption Price at which such Bonds were to be redeemed, then, after the payment by the Trustee of the purchase price of such Bonds and after payment of any amounts due on the Redemption Date following such purchase, the Trustee shall transfer an amount not greater than the difference between the amount of such purchase price and the amount of such Redemption Price to, and deposit the same in, the Revenue Account.

(C) Except as otherwise specifically provided herein, the Trustee shall have no obligation to purchase or attempt to purchase Bonds at a price below par or at any other price and any arms length purchase by the Trustee shall conclusively be deemed fair and reasonable.

Section 5.6. Debt Service Reserve Account. (A) There shall be deposited in the Debt Service Reserve Account all amounts required to be deposited therein pursuant to this
Resolution and any other amounts received and determined to be deposited therein by the Corporation.

(B) Amounts on deposit in the Debt Service Reserve Account shall be applied, to the extent other funds are not available therefor pursuant to this Resolution and the applicable Supplemental Resolution, to pay the Principal Installments of and interest on the Outstanding Bonds when due, whether by call for redemption or otherwise. Whenever the amount in the Debt Service Reserve Account exceeds the Debt Service Reserve Account Requirement, the Trustee, upon direction of the Corporation, shall withdraw from the Debt Service Reserve Account the amount of any excess therein over the Debt Service Reserve Account Requirement as of the date of such withdrawal and deposit the moneys so withdrawn into the Revenue Account.

(C) Amounts held for the credit of the Debt Service Reserve Account may, and at the direction of the Corporation shall, be withdrawn from the Debt Service Reserve Account by the Trustee and deposited in the Redemption Account for the purchase or redemption of Bonds at any time, provided that subsequent to such purchase or redemption the amount in the Debt Service Reserve Account will not be less than the Debt Service Reserve Account Requirement.

(D) If on any Interest Payment Date or Redemption Date for the Bonds, the amount in the Revenue Account and the Redemption Account, as applicable, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make good the deficiency.

Section 5.7. Rebate Fund. (A) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bond owner or any other person other than as set forth herein.

(B) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Officer of the Corporation, shall deposit in the Rebate Fund at least as frequently as the end of each fifth Bond Year and at the time that the last Bond that is part of the issue is discharged, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such time of calculation. The amount deposited in the Rebate Fund pursuant to the previous sentence shall be deposited from amounts withdrawn from the Revenue Account, and to the extent such amounts are not available in the Revenue Account, directly from earnings on the Accounts.

(C) Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the Accounts, except as otherwise specified by an Authorized Officer of the Corporation to the extent necessary to comply with the covenant set forth in Section 7.9 hereof, and except that the income or interest earned and gains realized in excess of losses suffered by the Rebate Fund due to the investment thereof shall be deposited in or credited to the Rebate Fund from time to time and reinvested.
(D) In the event that, on any date of calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Officer of the Corporation, shall withdraw such excess amount and deposit it in the Revenue Account.

(E) The Trustee, upon the receipt of written instructions and certification of the Rebate Amount from an Authorized Officer of the Corporation, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series for which a Rebate Amount is required, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to each Series for which a Rebate Amount is required as of the date of such payment, and (ii) notwithstanding the provisions of Section 13.1(D) hereof, not later than sixty (60) days after the date on which all Bonds of a Series for which a Rebate Amount is required have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of payment.
ARTICLE VI

REDEMPTION OF BONDS

Section 6.1. Privilege of Redemption and Redemption Price. The Bonds shall be redeemable, upon notice as provided in this Article, at such times, at such Redemption Prices and upon such other terms as may be specified in this Resolution and in the particular Bonds.

Section 6.2. Redemption at the Election or Direction of the Corporation. In the case of any redemption of Bonds otherwise than as provided in Section 6.3, an Authorized Officer of the Corporation shall give written notice to the Trustee of the Corporation's election or direction so to redeem, of the Redemption Date, of any conditions precedent to such redemption and of the Series and the principal amounts and maturities of the Bonds to be redeemed (which Series, Redemption Date, principal amounts and maturities thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in or permitted by this Resolution) and of any moneys to be applied to the payment of the Redemption Price. Such notice shall be given (a) in the case of the 2012 Bonds, at least forty-five (45) days prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee for its convenience or (b) in the case of all other Bonds, at least forty-five (45) days prior to the Redemption Date or such shorter period as shall be set forth in a Supplemental Resolution authorizing the issuance of a Series of Bonds. In the event notice of redemption shall have been given as provided in Section 6.5, the Trustee, if it holds the moneys to be applied to the payment of the Redemption Price, or otherwise the Corporation, prior to the Redemption Date, shall pay to the Trustee, in cash, an amount which, in addition to other moneys, if any, available therefor held by such Trustee, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, together with accrued interest thereon, all the Bonds to be redeemed.

Section 6.3. Redemption Otherwise Than at Corporation’s Election or Direction. Whenever by the terms of this Resolution, the Trustee is required to redeem Bonds otherwise than at the election or direction of the Corporation, and subject to and in accordance with the terms of this Article and, to the extent applicable, Article V, the Trustee shall select the Redemption Date of the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price to the Bond owners. In the event of a partial redemption of Bonds (other than from Sinking Fund Payments), the Corporation shall direct the Series and maturity or maturities of such Bonds to be so redeemed in such manner as, in the best judgment of the Corporation, shall provide for the payment of Debt Service thereafter to become due from the remaining Revenues to be derived in connection with the Mortgage Loan and any other Revenues expected to be available for such Debt Service after considering the amounts payable pursuant to the Mortgage Loan at such time.

Section 6.4. Selection of Bonds to be Redeemed. In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall select the Bonds to be redeemed in authorized denominations by lot, using such method as it shall determine in its sole discretion. For the purposes of this Section, Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.
Section 6.5. Notice of Redemption. When the Trustee shall receive notice from
the Corporation of its election or direction to redeem Bonds pursuant to Section 6.2 and when
redemption of Bonds is required by this Resolution pursuant to Section 6.3, the Trustee shall
give notice, in the name of the Corporation, of the redemption of such Bonds. Such notice shall
specify the Redemption Date, any conditions precedent to such redemption and the place or
places where amounts due upon such redemption will be payable and, if less than all the Bonds
are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be
redeemed and, in the case of fully registered Bonds to be redeemed in part only, such notice shall
also specify the respective portions of the principal amount thereof to be redeemed. Such notice
shall further state that, assuming the satisfaction of all conditions precedent to such redemption,
on such date there shall become due and payable upon each Bond to be redeemed the
Redemption Price thereof, or the Redemption Price of the specified portions of the principal
thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the
Redemption Date, and that from and after such date interest thereon shall cease to accrue and be
payable in accordance with Section 6.6 hereof. The Trustee shall mail a copy of such notice,
postage prepaid, except as provided below, not less than thirty (30) days before the Redemption
Date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at
their last addresses, if any, appearing upon the registry books. The provisions of this Section 6.5
shall not apply in the case of any redemption of Bonds of which, pursuant to the terms of the
Resolution, notice is not required to be given.

Section 6.6. Payment of Redeemed Bonds. Notice having been given in the
manner provided in Section 6.5 and all conditions precedent, if any, specified in such notice
having been satisfied, or if, pursuant to the terms of this Resolution, no notice of redemption is
required to be given, 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, and, upon presentation and surrender thereof at the
office specified in such notice, together with, in the case of portions of Bonds, a written
instrument of exchange or transfer, if required, duly executed by the registered owner or such
owner’s duly authorized attorney. Such Bonds, or portions thereof, shall be paid at the
Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be
drawn for redemption less than the entire principal amount of a 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 Bond so
surrendered registered Bonds of like Series and maturity in any of the authorized denominations.
If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof to be
redeemed, together with interest to the Redemption Date, shall be held by the Trustee so as to be
available therefor on said date and if notice of redemption shall have been given as aforesaid (or
if no notice is required to be given) and all conditions precedent to such redemption, if any, shall
have been satisfied, then, from and after the Redemption Date interest on the Bonds or portions
thereof so called for redemption shall cease to accrue and be payable. If (i) said moneys shall
not be so available on the Redemption Date or (ii) any conditions precedent to such redemption
shall not have been satisfied, 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 and, with
respect to clause (ii) of this sentence, such redemption shall be deemed to be cancelled and shall
have no effect.
ARTICLE VII

PARTICULAR COVENANTS

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

Section 7.1. **Performance.** 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 of the Act and this Resolution in accordance with the terms of such provisions.

Section 7.2. **Compliance With Conditions Precedent.** Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Resolution to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, or will exist, have happened or been performed, and such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by law.

Section 7.3. **Power to Issue Bonds and Pledge Revenues, Funds and Other Property.** The Corporation is duly authorized under all applicable laws to authorize and issue the Bonds and to adopt this Resolution and to pledge the assets and Revenues purported to be pledged by this Resolution in the manner and to the extent herein provided. The assets and Revenues so pledged are and will 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, and all corporate or other action on the part of the Corporation to that end has been and will be duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other assets and revenues, including rights therein pledged under this Resolution and all the rights of the Bond owners, the Trustee and the Bond Insurer under this Resolution against all claims and demands of all persons whomsoever.

Section 7.4. **Payment of Bonds.** The Corporation shall duly and punctually pay or cause to be paid, as herein provided, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof and shall duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any of the Bonds.

Section 7.5. **Extensions of Payment.** 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 the event that the maturity of any of the Bonds or claims for interest shall be extended, such Bonds or claims for interest shall not be entitled to the benefit of this Resolution or to any payment out of the Accounts established pursuant to this Resolution, including the investments, if any, thereof, or out of any assets or Revenues pledged hereunder prior to benefits
accorded to or the payment of the principal of all Bonds the maturity of which has not been extended and of such portion of the accrued interest on the 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 bonds for refunding purposes and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 7.6. Offices for Servicing Bonds. The Corporation shall at all times maintain an office or agency where Bonds may be presented for registration, registration of transfer or exchange, and where notices, presentations and demands upon the Corporation in respect of the Bonds or of this Resolution may be served. The Corporation shall at all times maintain an office or agency in the Borough of Manhattan, City and State of New York where the Bonds may be presented for payment. The Corporation hereby appoints the Trustee as its agent to maintain such office or agency for the registration, registration of transfer or exchange of Bonds, and for the service of such notices, presentations and demands upon the Corporation.

Section 7.7. Further Assurance. At any and all times the Corporation 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, pledging, assigning and confirming all and singular the rights, Revenues and assets hereby pledged or assigned, or intended so to be, or which the Corporation may become bound to pledge or assign.

Section 7.8. Waiver of Laws. The Corporation shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension now or at any time hereafter in force which may affect the covenants and agreements contained in this Resolution or in the Bonds and all benefit or advantage of any such law or laws is hereby expressly waived by the Corporation.

Section 7.9. Tax Covenants. (A) The following covenants are made solely for the benefit of the owners of, and shall be applicable solely to, the 2012 Series A Bonds and any Additional Bonds, as designated in a Supplemental Resolution, to which the Corporation intends that the provisions of this Section 7.9 shall apply. The provisions of this Section 7.9 shall not apply to the 2012 Series B Bonds

(B) The Corporation shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the Bonds shall be excluded from gross income for Federal income tax purposes.

(C) The Corporation shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to acquire any securities, obligations or other investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148(a) of the Code.

(D) The Corporation shall not permit any person or “related person” (as defined in the Code) to purchase Bonds in an amount related to the Mortgage Loan to be acquired by the Corporation from such person or “related person”.

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Section 7.10. **Covenants with Respect to the Mortgage Loan.** (A) To secure the payment of the principal or Redemption Price of and interest on the Bonds, the Corporation does hereby pledge for the benefit of the Bond owners all of its right, title and interest in and to the Mortgage Loan, which pledge shall be valid and binding from and after the date of adoption of this Resolution. The Mortgage Loan shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation, irrespective of whether such parties have notice thereof. Upon the happening of an Event of Default specified in paragraph (1) of Section 10.1 and the written request of the Trustee or the owners of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, the Corporation shall effectuate the assignment and delivery of the Mortgage Loan to the Trustee. If, however, the Trustee and the Bond owners are restored to their positions in accordance with Section 10.4, the Trustee shall assign the Mortgage Loan back to the Corporation.

(B) In order to pay the Principal Installments of and interest on the Bonds when due, the Corporation shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of this Resolution and sound banking practices and principles, (i) use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the kind permitted hereby, to finance the Mortgage Loan pursuant to the Act and this Resolution and any applicable Supplemental Resolution, (ii) do all such acts and things as shall be necessary to receive and collect Revenues (including diligent enforcement of the prompt collection of all arrears on the Mortgage Loan), (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to protect its rights with respect to, or to maintain any insurance on, the Mortgage Loan or any subsidy payments in connection with the Project securing the Mortgage Loan or the occupancy thereof and to enforce all terms, covenants and conditions of the Mortgage Loan, including the collection, custody and prompt application of all Escrow Payments for the purposes for which they were made; provided, however, that the obligations of the Corporation in (ii) and (iii) above, insofar as they apply to the Mortgage Loan, may be suspended for so long as the Corporation is not acting as Servicer with respect to the Mortgage Loan.

(C) The Corporation shall promptly advise the Trustee, CUNY and the Bond Insurer of the occurrence of any default on the Mortgage Loan known to the Corporation and shall keep the Trustee, CUNY and the Bond Insurer advised as to any actions taken with respect thereto.

Section 7.11. **Notices of Deficiencies.** If on the Business Day immediately following an Interest Payment Date there is insufficient funds available in the Revenue Account, the Capitalized Interest Sub-Account and the Debt Service Reserve Account to pay the Principal Installments, if any, of and interest on the Bonds due on the next succeeding Interest Payment Date, the Trustee shall promptly notify CUNY and the Corporation of such deficiency and the amount thereof to be paid to the Trustee in accordance with the Support Agreement.

Section 7.12. **Covenants with Respect to the Support Agreement.** (A) The Corporation shall do such acts and things as shall be necessary to obtain Support Payments from
CUNY in order to pay the Principal Installments of and interest on the Bonds when due, and to cause CUNY to perform fully all duties and acts and comply fully with the covenants of CUNY required by the Support Agreement, all in the manner and at the times provided in the Support Agreement.

(B) The Corporation shall not sell, assign or otherwise dispose of any of its rights, title or interests in, to and under, the Support Agreement.

Section 7.13. Personnel and Servicing of Mortgage Loan. (A) The Corporation shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its purposes and powers under the Act and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by the Corporation shall be qualified for their respective positions.

(B) The Corporation may pay to any agency, municipality, political subdivision or governmental instrumentality of the State such amounts as are necessary to reimburse such agency, municipality, political subdivision or governmental instrumentality of the State for the reasonable costs of any services performed for the Corporation.

(C) The Corporation shall duly and properly service the Mortgage Loan and enforce the payment and collection of all payments of principal and interest due thereunder and all Escrow Payments or shall cause such servicing to be done by a Servicer evidencing, in the judgment of the Corporation, the capability and experience necessary to adequately service the Mortgage Loan. Amounts payable as compensation to any servicer of the Mortgage Loan shall be paid by the Corporation from funds which are not subject to the lien and pledge of this Resolution. Each such Servicer shall enter into a servicing agreement providing that:

(1) all amounts received by such Servicer, except as compensation for its services, shall be deposited promptly with a depositary (which may be such Servicer) subject to and in accordance with the provisions of this Resolution;

(2) such Servicer shall at all times remain qualified to act as such pursuant to such standards as the Corporation shall prescribe from time to time and shall determine to be reasonable to maintain the security for the Bonds; and

(3) such Servicer shall agree to maintain servicing facilities that are staffed with trained personnel to adequately service the Mortgage Loan in accordance with standards normally employed by private institutional mortgage investors, as determined in the Corporation's sole discretion, and shall provide regular reports to the Corporation as to collections and delinquencies with respect to the Mortgage Loan.

In the event that the Corporation appoints a Servicer pursuant to this Section 7.13(C), the Corporation shall nevertheless remain responsible for the performance of all of its covenants, agreements and obligations under this Resolution.
Section 7.14. **Issuance of Additional Obligations.** (A) The Corporation shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a superior charge and lien on the Revenues and assets pledged hereunder. In addition, the Corporation shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness, other than Bonds, which will be secured by an equal charge and lien on the Revenues and assets pledged hereunder.

(B) The Corporation hereby expressly reserves the right to adopt one or more additional resolutions for its purposes, and reserves the right to issue other obligations for such purposes.

Section 7.15. **Accounts and Reports.** (A) The Corporation shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Mortgage Loan and all Accounts established by this Resolution which shall at all reasonable times be subject to the inspection of the Trustee, the Bond Insurer, the Servicer (as to the Mortgage Loan) and the owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing. The Corporation may authorize or permit the Trustee to keep such books on behalf of the Corporation.

(B) If at any time during any fiscal year there shall have occurred an Event of Default or an Event of Default shall be continuing, then the Corporation shall file with the Trustee, the Bond Insurer and the Servicer within forty-five (45) days after the close of such fiscal year, a special report accompanied by an Accountant’s Certificate as to the fair presentation of the financial statements contained therein, setting forth in reasonable detail the individual balances and receipts and disbursements for each Account hereunder.

(C) The Corporation shall annually, within one hundred twenty (120) days after the close of each fiscal year of the Corporation, file with the Trustee and the Servicer a copy of an annual report as to the operations and accomplishments of the various funds and programs of the Corporation during such fiscal year, and financial statements for such fiscal year, setting forth in reasonable detail:

1. the balance sheet with respect to the Bonds and the Mortgage Loan, showing the assets and liabilities of the Corporation at the end of such fiscal year;

2. a statement of the Corporation’s revenues and expenses in accordance with the categories or classifications established by the Corporation in connection with the Bonds and the Mortgage Loan during such fiscal year;

3. a statement of changes in fund balances, as of the end of such fiscal year; and

4. a statement of cash flows, as of the end of such fiscal year.

The financial statements shall be accompanied by the Certificate of an Accountant stating that the financial statements examined present fairly the financial position of the
Corporation at the end of the fiscal year, the results of its operations and the changes in its fund balances and its cash flows for the period examined, in conformity with generally accepted accounting principles applied on a consistent basis except for changes with which such Accountant concurs.

(D) Except as provided in subsection (B) of this Section, any such financial statements may be presented on a consolidated or combined basis with other reports of the Corporation.

(E) A copy of each annual report or special report and any Accountant's Certificate relating thereto shall be mailed promptly thereafter by the Corporation to each Bond owner who shall have filed such owner's name and address with the Corporation for such purposes.

Section 7.16. Agreement of the State. In accordance with the provisions of Section 657 of the Act, the Corporation, on behalf of the State, does hereby pledge to and agree with the owners of the Bonds that the State will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with such owners, or in any way impair the rights and remedies of such owners until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged.

Section 7.17. Sale of the Mortgage Loan. The Corporation is authorized to sell, assign or otherwise dispose of the Mortgage Loan, in addition to a sale, assignment or disposition required pursuant to Section 7.10 hereof, provided that the proceeds of such sale, assignment or disposition (i) are deposited in the Redemption Account and used to redeem Bonds, and (ii) shall be treated as Recoveries of Principal for purposes of this Resolution.
ARTICLE VIII
SUPPLEMENTAL RESOLUTIONS

Section 8.1. Supplemental Resolutions Effective Upon Filing With the Trustee.
For any one or more of the following purposes and at any time or from time to time, a
Supplemental Resolution of the Corporation may be adopted, which, upon the filing with the
Trustee of a copy thereof certified by an Authorized Officer of the Corporation, shall be fully
effective in accordance with its terms:

(1) to close this Resolution against, or provide limitations and restrictions in
addition to the limitations and restrictions contained in this Resolution on, the
authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) to add to the covenants and agreements of the Corporation in this
Resolution other covenants and agreements to be observed by the Corporation which are
not contrary to or inconsistent with this Resolution as theretofore in effect;

(3) to add to the limitations and restrictions in this Resolution other
limitations and restrictions to be observed by the Corporation which are not contrary to or
inconsistent with this Resolution as then in effect;

(4) to surrender any right, power or privilege reserved to or conferred upon
the Corporation by the terms of this Resolution, but only if the surrender of such right,
power or privilege is not contrary to or inconsistent with the covenants and agreements of
the Corporation contained in this Resolution;

(5) to confirm, as further assurance, any pledge under, and the subjection to
any lien or pledge created or to be created by, this Resolution, of the Revenues or of any
other revenues or assets;

(6) to modify any of the provisions of this Resolution in any respect
whatsoever, but only if (i) such modification shall be, and be expressed to be, effective
only after all Bonds Outstanding at the date of the adoption of such Supplemental
Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be
specifically referred to in the text of all Bonds authenticated and delivered after the date
of the adoption of such Supplemental Resolution and of Bonds issued in exchange
therefor or in place thereof;

(7) to provide for the issuance, execution, delivery, authentication, payment,
registration, transfer and exchange of Bonds in coupon form payable to bearer;

(8) to authorize the issuance of a Series of Additional Bonds in accordance
with Section 2.8 and to prescribe the terms and conditions thereof and any additional
terms and conditions upon which such Bonds may be issued;
(9) to provide, in connection with the issuance of a Series of Additional Bonds, that specified provisions of this Resolution (other than in the Appendices hereto) that relate to the 2012 Bonds shall also apply to such Series of Additional Bonds;

(10) to comply with regulations or rulings issued with respect to the Code, to the extent determined as necessary or desirable in a Bond Counsel's Opinion; or

(11) to provide for such changes as are deemed necessary or desirable by the Corporation in connection with either (a) providing a book-entry system with respect to a Series of Bonds or (b) discontinuing a book-entry system with respect to a Series of Bonds.

Section 8.2. Supplemental Resolutions Effective Upon Consent of Trustee. (A) For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Corporation, and (ii) the filing with the Trustee and the Corporation of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution;

(2) to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable and are not contrary to or inconsistent with this Resolution as theretofore in effect;

(3) to provide for additional duties of the Trustee in connection with the Mortgage Loan; or

(4) to make any additions, deletions or modifications to this Resolution which, in the opinion of the Trustee, are not materially adverse to the interests of the Bond owners.

(B) Any such Supplemental Resolution may also contain one or more of the purposes specified in Section 8.1, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Resolution as shall contain one or more of the purposes set forth in subsection (A) of this Section.

Section 8.3. Supplemental Resolutions Effective Upon Consent of Bond Owners. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bond owners in accordance with and subject to the provisions of Article IX. Any such Supplemental Resolution shall become fully effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Corporation and upon compliance with the provisions of Article IX.

Section 8.4. General Provisions. (A) This Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article IX. Nothing in this Article or Article IX contained shall
affect or limit the right or obligation of the Corporation to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.7 or the right or obligation of the Corporation to execute and deliver to the Trustee any instrument which is to be delivered to the Trustee pursuant to this Resolution.

(B) Any Supplemental Resolution permitted or authorized by Section 8.1 or 8.2 may be adopted by the Corporation without the consent of any of the Bond owners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution filed with the Trustee shall be accompanied by a Bond Counsel’s Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, is valid and binding upon the Corporation, and, subject to bankruptcy, insolvency or other laws affecting creditors’ rights generally, is enforceable in accordance with its terms.

(C) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 8.1, 8.2 or 8.3 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel’s Opinion) that such Supplemental Resolution is authorized or permitted by the provisions of this Resolution. The Trustee shall promptly furnish the Bond Insurer with a copy of any Supplemental Resolution that has become effective in accordance with this Article VIII.

(D) No Supplemental Resolution shall change or modify any of the rights or obligations of the Trustee, the Mortgagor or the Bond Insurer without such party’s written assent thereto.
ARTICLE IX

AMENDMENTS

Section 9.1. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to Bond owners shall be fully complied with if it is mailed postage prepaid (i) to each registered owner of Bonds affected then Outstanding at such owner’s address, if any, appearing upon the registry books of the Corporation, and (ii) to the Trustee.

Section 9.2. Powers of Amendment. Subject to the provisions of Section 8.4 hereof, modification of or amendment to this Resolution and of the rights and obligations of the Corporation and of the owners of the Bonds hereunder, in any particular, may be made by a Supplemental Resolution, but only, in the event such Supplemental Resolution shall be adopted pursuant to Section 8.3, with the written consent given as provided in Section 9.3, (i) of the owners of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the owners of at least two-thirds in principal amount of the Bonds so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the owners of at least two-thirds in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given; provided, however, that a modification or amendment referred to in (iii) above shall not be permitted unless the Trustee shall have received a Bond Counsel’s Opinion to the effect that such modification or amendment does not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds to which the provisions of Section 7.9 hereof apply. If any such modification or amendment will not take effect so long as any Bonds of any specified Series and maturity remain Outstanding however, the consent of the owners 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 owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or the Bond Insurer without its written assent thereto. For the purposes of this Section, a Bond shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the owner of such Bond. The Trustee may in its sole discretion determine whether or not in accordance with the foregoing powers of amendment any Bonds would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all owners of Bonds.

Section 9.3. Consent of Bond Owners. (A) A copy of any Supplemental Resolution making a modification or amendment which is not permitted by the provisions of Section 8.1 or 8.2 (or a brief summary thereof or reference thereto in form approved by the
Trustee), together with a request to Bond owners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Corporation to the owners of the Bonds. Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of owners of the percentages of Outstanding Bonds specified in Section 9.2 and (b) a Bond Counsel’s Opinion stating that (I) such Supplemental Resolution has been duly and lawfully adopted by the Corporation in accordance with the provisions of this Resolution, is authorized or permitted hereby and is valid and binding upon the Corporation and enforceable in accordance with its terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and similar laws affecting rights and remedies of creditors) and (II) the adoption of such Supplemental Resolution will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on any Bonds to which the covenants of Section 7.9 hereof apply, and (ii) a notice shall have been made as hereinafter provided in this Section.

(B) The consent of a Bond owner to any modification or amendment shall be effective only if accompanied by proof of the holding, 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 11.12. A Certificate by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with such Section 11.12 shall be conclusive that the consents have been given by the owners of the Bonds described in such Certificate of the Trustee. Any such consent shall be binding upon the owner of the Bonds giving such consent and upon any subsequent owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent owner thereof has notice thereof) unless such consent is revoked in writing by the owner of such Bonds giving such consent or a subsequent owner thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed, such revocation. 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.

(C) At any time after the owners of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Corporation and the Trustee a written statement that the owners of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the owners of the required percentages of Bonds and will be effective as provided in this Section, shall be given to Bond owners by the Corporation by mailing such notice to the Bond owners not more than ninety (90) days after the owners of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinafore provided for is filed. The Corporation shall file with the Trustee proof of the mailing of such notice. A record, 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 Resolution making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee and the owners of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of the notice of such consent, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal
action or equitable proceeding for such purpose commenced within such forty (40) day period, except that the Trustee and the Corporation during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section 9.4. Modifications by Unanimous Consent. Subject to the provisions of Section 8.4 hereof, the terms and provisions of this Resolution and the rights and obligations of the Corporation and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption and filing by the Corporation of a Supplemental Resolution and the consent of the owners of all the Bonds then Outstanding, such consent to be given as provided in Section 9.3, but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee or the Bond Insurer without the filing with the Trustee of the written assent thereto of the Trustee or the Bond Insurer, as applicable, in addition to the consent of the Bond owners. No notice of any such modification or amendment either by mailing or publication shall be required to be given to Bond owners.

Section 9.5. 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 or any calculation of Outstanding Bonds provided for in this Article, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, 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 9.6. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article VIII or this Article may, and, if the Corporation so determines, shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action. In that case, upon demand of the owner of any Outstanding Bond at such effective date and presentation of such Bond for the purpose at the corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Corporation shall so determine, new Bonds modified to conform (in the opinion of the Corporation) to such action shall be prepared, executed, authenticated and delivered, and upon demand of the owner of any Bond then Outstanding shall be exchanged, without cost to such Bond owner, for Bonds of the same Series and maturity, then Outstanding, upon surrender of such Bonds.
ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default. Each of the following events is hereby declared an "Event of Default" with respect to the Bonds:

(1) payment of the principal or Redemption Price, if any, of or interest on any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; or

(2) the Corporation shall fail or refuse to comply with the provisions of this Resolution or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any applicable Supplemental Resolution or the Bonds (other than any such default resulting in an Event of Default described in paragraph (1) of this Section 10.1), and such failure, refusal or default shall continue for a period of thirty (30) days after written notice thereof shall have been given to the Corporation by the Trustee or the owners of not less than 5% in principal amount of the Outstanding Bonds.

Section 10.2. Remedies. (A) Upon the happening and continuance of any Event of Default specified in paragraph (1) of Section 10.1, the Trustee may proceed, and, upon the written request of owners of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the provisions of Section 11.3, to protect and enforce the rights of the Bond owners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners, including the right to require the Corporation to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loan and to require the Corporation to carry out any other covenants or agreements with such Bond owners, and to perform its duties under the Act;

(2) by bringing suit upon the Bonds;

(3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the owners of the Bonds;

(4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds;

(5) by declaring all Bonds due and payable, and if all defaults shall be cured, then, with the written consent of the owners of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or

(6) in the event that all Outstanding Bonds are declared due and payable, by selling the Mortgage Loan and any Investment Securities securing such Bonds.
(B) Upon the happening and continuance of any Event of Default specified in paragraph (2) of Section 10.1, the Trustee may proceed, and, upon the written request of owners of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the provisions of Section 11.3, to protect and enforce the rights of the Bond owners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners, including the right to require the Corporation to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loan and to require the Corporation to carry out any other covenants or agreements with such Bond owners, including but not limited to the assignment of the Mortgage Loan, and to perform its duties under the Act;

(2) by bringing suit upon the Bonds;

(3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the owners of the Bonds; or

(4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

(C) In the enforcement of any rights and remedies under this Resolution, 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 and unpaid from the Corporation for principal, Redemption Price, interest or otherwise, under any provisions of this Resolution or a Supplemental Resolution or of the Bonds with interest on overdue payments at the rate of interest specified in such Bonds, together with any and all fees and expenses of the Trustee and costs and expenses of collection and of all proceedings thereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bond owners, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pre-trial, trial and appellate attorneys' fees), and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

(D) Upon the occurrence of any Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond owners under this Resolution, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and of the assets of the Corporation relating to the Bonds pending such proceedings, with such powers as the court making such appointment shall confer.

(E) Except upon the occurrence and during the continuance of an Event of Default hereunder, the Corporation hereby expressly reserves and retains the privilege to receive and, subject to the terms and provisions of this Resolution, to keep or dispose of, claim, bring suit upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Mortgage Loan and the proceeds and collections therefrom, and neither the Trustee nor any

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Bond owner shall in any manner be or be deemed to be an indispensable party to the exercise of any such privilege, claim or suit.

Section 10.3. Priority of Payments After Default. (A) In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee shall be insufficient for the payment of the principal or Redemption Price, if any, of and interest then due on the Bonds affected, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other amounts received or collected by the Trustee acting pursuant to the Act and this Article, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the owners of such Bonds and for the payment of the fees, charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Resolution, shall be applied as follows:

1) Unless the principal of all of such Bonds shall have become or have been declared due and payable:

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

2) If the principal of all such Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon such 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 such Bond over any other such 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 any difference in the respective rates of interest specified in such Bonds.

(B) 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 deposit of such moneys with the Trustee, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee and the Trustee shall incur no liability whatsoever to the
Corporation, to any Bond owner 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 for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Except as otherwise provided in this Resolution, whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be 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 for the fixing of any such date. The Trustee shall not be required to make payment to the owner of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 10.4. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default has been discontinued or abandoned for any reason, then in every such case the Corporation, the Trustee, the Bond owners and the Bond Insurer 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 taken.

Section 10.5. Bond Owners' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the owners of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, 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 Bond owners not parties to such direction.

Section 10.6. Limitation on Rights of Bond Owners. (A) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Resolution unless such owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the fees, 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; and 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 under this Resolution or for any other remedy provided hereunder or by law. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by action of such owner or owners to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein
provided and for the benefit of all owners of the Outstanding Bonds. Nothing contained in this Article shall affect or impair the right of any Bond owner to enforce the payment of the principal of and interest on such owner’s Bonds, or the obligation of the Corporation to pay the principal of and interest on each Bond issued hereunder to the owner thereof at the time and place in said Bond expressed.

(B) Anything to the contrary notwithstanding contained in this Section, or any other provision of this Resolution, each owner of any Bond by such owner’s acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Resolution or any Supplemental Resolution, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable pre-trial, trial and appellate attorneys’ fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bond owner, or group of Bond owners, holding at least 25% in principal amount of the Bonds Outstanding, or to any suit instituted by any Bond owner for the enforcement of the payment of any Bond on or after the respective due date thereof expressed in such Bond.

Section 10.7. Possession of Bonds by Trustee Not Required. All rights of action under this Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on 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 owners of such Bonds, subject to the provisions of this Resolution.

Section 10.8. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 10.9. Waiver. No delay or omission of the Trustee or of any owner of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein and every power and remedy given by this Resolution to the Trustee and the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 10.10. Notice of Event of Default. The Trustee shall give to the Bond owners notice of each Event of Default hereunder known to the Trustee within ninety (90) days after actual knowledge by the Trustee of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice. However, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Bonds, or in the making of any payment required to be made into the Bond Proceeds Account, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a corporate trust committee of directors or responsible officers of the
Trustee in good faith determines that the withholding of such notice is in the interest of the Bond owners. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (i) to all registered owners of Bonds, as the names and addresses of such owners appear upon the books for registration and transfer of Bonds as kept by the Trustee, (ii) to the Bond Insurer, and (iii) to such other persons as may be required by law.
ARTICLE XI

CONCERNING THE TRUSTEE

Section 11.1. Appointment and Acceptance of Duties of Trustee. (A) Deutsche Bank Trust Company Americas is appointed as Trustee and shall signify its acceptance of the duties and obligations of the Trustee hereunder by executing and delivering to the Corporation a written instrument of acceptance.

(B) The Trustee is hereby vested with all the rights, powers and duties of a Trustee permitted to be appointed by Bond owners pursuant to the Act and the right of Bond owners to appoint a trustee pursuant to the Act is hereby abrogated as permitted by the Act.

Section 11.2. Responsibility of Trustee. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Corporation and the Trustee does not assume any responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder (except for its certificate of authentication on each Bond) or in respect of the security afforded by this Resolution, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall be responsible for the performance only of such duties as are specifically set forth herein, and no duty shall be implied from any provision hereof. The Trustee shall be responsible for its representations contained in its certificate on the Bonds. The Trustee shall not be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Corporation. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 11.3. Evidence on Which the Trustee May Act. The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be of counsel to, and/or an employee of, 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 hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate signed by an Authorized Officer of the Corporation, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Neither the Trustee nor any successor Trustee shall be liable to the Corporation, the owners of any of the Bonds, the Bond Insurer, or any other person for any act or omission done or omitted to be done by such Trustee in reliance upon any
instruction, direction or certification received by the Trustee pursuant to this Resolution or for any act or omission done or omitted in good faith and without negligence or willful or reckless misconduct. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Corporation to the Trustee shall be sufficiently executed if executed in the name of the Corporation by an Authorized Officer of the Corporation.

Section 11.4. **Compensation.** The Corporation shall pay or provide for the payment of reasonable compensation to the Trustee from time to time for all services rendered under this Resolution and also all reasonable fees, expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The Corporation further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful default.

Section 11.5. **Permitted Acts and Functions.** The Trustee may become the owner of any Bonds, with the same rights it would have if it were not the Trustee. 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, any committee formed to protect the rights of Bond owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the owners of a majority in principal amount of the Bonds then Outstanding. The Trustee may be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by the Corporation or any political subdivision thereof.

Section 11.6. **Resignation of Trustee.** A Trustee may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days' written notice to the Corporation, the Servicer and the Bond Insurer and mailing notice thereof specifying the date when such resignation shall take effect, to each of the registered owners, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 11.8, in which event such resignation shall take effect immediately on the appointment of such successor; provided, however, no such resignation shall take effect until a successor Trustee has been appointed.

Section 11.7. **Removal of Trustee.** A Trustee shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation and signed by the owners of a majority in principal amount of the Bonds then Outstanding or their attorney-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation; provided, however, no such removal shall take effect until a successor Trustee has been appointed. The Corporation may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Corporation by filing with the Trustee an instrument signed by an Authorized Officer of the Corporation; provided, however, no such removal shall take effect until a successor Trustee has been appointed.
Section 11.8. Appointment of Successor Trustee. (A) In case at any time a Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged 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 a Trustee, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Trustee. The Corporation shall, in whichever manner it deems most economical, either (i) publish notice of any such appointment made by it in Authorized Newspapers, such publication to be made within twenty (20) days after such appointment, or (ii) mail notice of any such appointment made by it to the registered owners of the Bonds, at their last addresses, if any, appearing upon the registry books.

(B) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Corporation written notice, as provided in Section 11.6, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or commercial bank having the powers of a trust company within or outside the State, having capital, surplus and undivided profits aggregating at least $100,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

Section 11.9. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee, but the Trustee ceasing to act shall nevertheless, on the request of the Corporation, or of its successor Trustee, 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 Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, 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. Upon the effectiveness of the resignation or removal of the Trustee, such Trustee’s authority to act pursuant to this Resolution shall terminate and such Trustee shall have no further responsibility or liability whatsoever for performance of this Resolution as Trustee.
Section 11.10. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor to the Trustee under Section 11.8 and shall be authorized by law to perform all the duties imposed upon it by this Resolution, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. The Trustee shall provide notice to the Corporation and the Bond Insurer of any such merger, consolidation or asset sale.

Section 11.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Resolution provided that the certificate of authentication of the Trustee shall have.

Section 11.12. Evidence of Signatures of Bond Owners and Ownership of Bonds. (A) Any request, consent or other instrument which this Resolution may require or permit to be signed and executed by the Bond owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Bond owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Bond owner or such owner's attorney of such instrument may be proved by the Certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or other member of the National Association of Securities Dealers, Inc. 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 authority of the person or persons executing any such instrument on behalf of a corporate Bond owner may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(B) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(C) 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 by the Corporation or any fiduciary in accordance therewith.
Section 11.13. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Resolution or any Supplemental Resolution (or microfilm, microcard or similar photographic reproduction thereof) shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation, the Servicer, the Bond Insurer and any Bond owner and their agents and their representatives, any of whom may make copies thereof.
ARTICLE XII

PROVISIONS RELATING TO THE BOND INSURER
AND THE BOND INSURANCE POLICY

Section 12.1. Bond Insurance. Payment of the principal of and interest on the 2012 Bonds (referred to in this Article XII as the “Insured Bonds”) shall be insured by the Bond Insurance Policy issued by the Bond Insurer. The Corporation hereby agrees with and for the benefit of, the Bond Insurer that so long as the Bond Insurer is not in default in its payment obligations under the provisions of the Bond Insurance Policy and such Bond Insurance Policy is in full force and effect, the provisions of this Article XII shall be binding upon the Corporation, the Trustee and the owners of the Insured Bonds, notwithstanding anything in this Resolution to the contrary.

Section 12.2. Rights of the Bond Insurer. (A) The Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds insured by it are entitled to take pursuant to Sections 5.3(B) and 7.10(A) and Article X hereof (pertaining to defaults and remedies) and Article XI hereof (pertaining to the duties and obligations of the Trustee). Remedies granted to the Bondholders shall expressly include mandamus.

(B) The maturity of the Insured Bonds shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Insured Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Corporation) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Insured Bonds shall be fully discharged.

(C) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, which subrogation rights shall survive irrespective of whether the Bond Insurer is in default under the Bond Insurance Policy or the Bond Insurance Policy is not in full force and effect.

(D) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Corporation (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(E) The Bond Insurer shall be a third party beneficiary to this Resolution.

(F) Any amendment, supplement, modification to, or waiver of, this Resolution or any other Related Document that requires the consent of Bondowners or adversely
affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(G) The rights granted to the Bond Insurer under this Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Bond Insurer.

(H) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Insured Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

Section 12.3. Payments Under the Bond Insurance Policy. (A) If, on the third (3rd) Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or telex of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second (2nd) Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insurer Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second (2nd) Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Corporation on any Insured Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such
funds to payment of interest on and principal of any Insured Bond. The Bond Insurer shall have
the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall
establish a separate special purpose trust account for the benefit of Bondholders referred to
herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control
and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond
Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the
Policy Payments Account and distribute such amount only for purposes of making the payments
for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in
the same manner as principal and interest payments are to be made with respect to the Insured
Bonds under the sections hereof regarding payment of Insured Bonds. It shall not be necessary
for such payments to be made by checks or wire transfers separate from the check or wire
transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Trustee
and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds
remaining in the Policy Payments Account following a Insured Bond payment date shall
promptly be remitted to the Bond Insurer.

(B) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall
not be deemed paid for purposes of this Resolution and the Insured Bonds relating to such
payments shall remain Outstanding and continue to be due and owing until paid by the
Corporation in accordance with this Resolution. This Resolution shall not be discharged unless
all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Section 12.4. Defeasance of Insured Bonds. (A) Only (1) cash, (2) non callable
direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of
proportionate interests in future interest and principal payments on Treasuries held by a bank or
trust company as custodian, under which the owner of the investment is the real party in interest
and has the right to proceed directly and individually against the obligor and the underlying
Treasuries are not available to any person claiming through the custodian or to whom the
custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre refunded
municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject
to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under
then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the
Insured Bonds unless the Bond Insurer otherwise approves.

(B) To accomplish defeasance of the Insured Bonds, the Corporation shall
cause to be delivered (i) a report of an independent firm of nationally recognized certified public
accountants or such other accountant as shall be acceptable to the Bond Insurer ("Accountant")
verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the
maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be
acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized
bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the
Resolution and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds;
each Verification and defeasance opinion shall be acceptable in form and substance, and

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addressed, to the Corporation, Trustee and Bond Insurer. The Bond Insurer shall be provided
with final drafts of the above referenced documentation not less than five (5) Business Days
prior to the funding of the escrow.

(C) Insured Bonds shall be deemed "Outstanding" under this Resolution
unless and until they are in fact paid and retired or the above criteria are met.

Section 12.5. Notices and Information. (A) In addition to any notices or other
information required to be provided to the Bond Insurer hereunder, the Bond Insurer shall be
provided with the following:

(1) Notice of any draw upon the Debt Service Reserve Account within two
Business Days after knowledge thereof other than withdrawals of amounts in excess of
the Debt Service Reserve Account Requirement and withdrawals in connection with a
refunding of Bonds;

(2) Notice of any default known to the Trustee or the Corporation within five
(5) Business Days after knowledge thereof;

(3) Prior notice of the advance refunding or redemption of any of the Insured
Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(4) Notice of the resignation or removal of the Trustee and bond registrar and
the appointment of, and acceptance of duties by, any successor thereto;

(5) Notice of the commencement of any proceeding by or against the
Corporation or the Mortgagor commenced under the United States Bankruptcy Code or
any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law
(an "Insolvency Proceeding");

(6) Notice of the making of any claim in connection with any Insolvency
Proceeding seeking the avoidance as a preferential transfer of any payment of principal
of, or interest on, the Insured Bonds;

(7) A full original transcript of all proceedings relating to the execution of any
amendment, supplement, or waiver to the Related Documents;

(8) All reports, notices and correspondence to be delivered to Bondholders
under the terms of the Related Documents; and

(9) Such additional information as the Bond Insurer may reasonably request.

(B) The Corporation will permit the Bond Insurer to discuss the affairs,
finances and accounts of the Corporation or any information the Bond Insurer may reasonably
request regarding the security for the Insured Bonds with appropriate officers of the Corporation
and will use commercially reasonable efforts to enable the Bond Insurer to have access to the
facilities, books and records of the Corporation regarding the security for the Insured Bonds on
any business day upon reasonable prior notice.
(C) The Trustee shall notify the Bond Insurer of any failure of the Corporation or the Mortgagor known to the Trustee to provide notices, certificates and other information under the transaction documents.

(D) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. Telephone: (212) 826 0100; Telexcopier: (212) 339 3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 12.6. Additional Bonds. Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Resolution, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Account is fully funded at the Debt Service Reserve Account Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

Section 12.7. Additional Covenants for the Benefit of the Bond Insurer. (A) The Corporation and the Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the trust estate under applicable law.

(B) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(C) The purchase of any Insured Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer unless such Insured Bonds are cancelled upon purchase.
ARTICLE XIII
DEFEASANCE;
MISCELLANEOUS PROVISIONS

Section 13.1. **Defeasance.** (A) If the Corporation shall pay or cause to be paid to the owners of all Bonds then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, from moneys, at the times and in the manner stipulated therein and in this Resolution, and if the Corporation shall pay or cause to be paid the fees and expenses of the Trustee, then the pledge of any Revenues and other moneys, securities, funds and property hereby pledged and all other rights granted hereby shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Corporation all moneys or securities held by it pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds 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 subsection (A) of this Section. All Outstanding Bonds of any 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 subsection (A) of this Section if: (1) 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 VI notice of redemption on said date of such Bonds, (2) there shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) either (a) moneys in an amount which shall be sufficient, or (b) Government Obligations or (c) obligations (i) validly issued by or on behalf of a state or political subdivision thereof, (ii) the interest on which is excluded from gross income for Federal income tax purposes pursuant to Section 103(a)(1) of the Code and (iii) fully secured by a first lien on Government Obligations, the principal of and the interest on which (in the case of obligations described in clause (b) or (c) above) when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of 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, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to give by mail, as soon as practicable, notice to the owners of such Bonds that the deposit required by this subsection 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 or Redemption Price, if any, of said Bonds. To the extent required for the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds, neither moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any obligations
described in clause (b) or (c) above deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds; provided that any cash received from such principal or interest payments on such obligations described in clause (b) or (c) above, as the case may be, deposited with the Trustee pursuant to this Section, if not then needed for such purpose, shall, to the extent practicable, at the direction of the Corporation, be reinvested in obligations described in clause (b) or (c) above, respectively, maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, of and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and any moneys deposited with the Trustee pursuant to this Section and principal and interest payments on the obligations described in clause (b) or (c) above, as the case may be, if not required for the payment of said Bonds, and after payment of the fees and expenses of the Trustee and the Corporation shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge. The Trustee may sell, transfer or otherwise dispose of the obligations described in clauses (b) and (c) above, as the case may be, deposited with the Trustee pursuant to this Section; provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other obligations described in clauses (b) and (c) above, respectively, the principal of and the interest on which when due will provide moneys which, together with the moneys on deposit with the Trustee, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of 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, in accordance with this Section.

(C) If, through the deposit of moneys by the Corporation or otherwise, the Trustee shall hold, pursuant to this Resolution, moneys sufficient to pay the principal and interest to maturity on all Bonds, or in the case of Bonds in respect of which the Corporation shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such Redemption Date, then at the request of the Corporation, all moneys shall be held by the Trustee for the payment or the redemption of Bonds.

(D) Amounts held by the Trustee for the payment of principal or Redemption Price of, or interest on, Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or, if there shall be no such applicable law, shall be returned to the Corporation three years after the date on which payment of such amounts would have been due.

Section 13.2. No Recourse Under Resolution or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Corporation contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any officer or employee of the Corporation in such officer’s or employee’s individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer or employee of the Corporation or any natural person executing the Bonds.

Section 13.3. Notices. Unless otherwise specified herein, any notice, direction, consent, assent or other communication required or permitted hereunder to be given to the
Corporation, the Trustee, CUNY or the Bond Insurer shall be deemed validly given only if provided to such parties in writing and delivered personally or sent by registered or certified mail, postage prepaid and return receipt requested, at the following respective addresses:

if to the Corporation, to

New York City Housing Development Corporation
110 William Street
New York, New York 10038
Attention: President

and a copy to

New York City Housing Development Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

if to the Trustee, to

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, New York 10005-2836
Attention: Corporate Trust

if to the Bond Insurer, to

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director - Surveillance

if to the Servicer, to

[ ]
[ ]
[ ]
Attention: [ ]

if to CUNY, to

The City University of New York
535 East 80th Street
New York, New York 10075
Attention: General Counsel

or to such other address of which the person giving such notice, direction, consent, assent or other communication shall have received notice in accordance with this Resolution.

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Section 13.4. Payments Due on Days Not Business Days. If the date for making any payment of principal or Redemption Price of or interest on any of the Bonds shall be a day other than a Business Day, then payment of such principal or Redemption Price of or interest on such Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for such payment, and in the case of such payment no interest shall accrue for the period commencing on such date originally fixed for such payment and ending on such next succeeding Business Day.

Section 13.5. Effective Date. This Resolution shall take effect immediately upon delivery of a certified copy hereof to the Trustee.
APPENDIX A -- TERMS OF THE 2012 BONDS

The 2012 Series A Bonds shall be dated as of, and shall bear interest initially from their date of
initial issuance (and thereafter as set forth in Section 3.1(E) of this Resolution), and shall mature
on the dates and in the principal amounts set forth below. Interest on such 2012 Series A Bonds
shall be payable semi-annually on the first (1st) day of each January and July, commencing on
July 1, 2012 at the rates per annum set forth below:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2017</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2018</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2020</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2026</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2031</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2041</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2046</td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

(2) The 2012 Series B Bonds shall be dated as of, and shall bear interest
initially from their date of initial issuance (and thereafter as set forth in Section 3.1(E) of this
Resolution), and shall mature on the dates and in the principal amounts set forth below. Interest
on such 2012 Series b Bonds shall be payable semi-annually on the first (1st) day of each
January and July, commencing on July 1, 2012 at the rates per annum set forth below:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2017</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2018</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2020</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2026</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2031</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2041</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>July 1, 2046</td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

(B) Interest on the 2012 Bonds shall be computed on the basis of a 360-day
year of twelve 30-day months.
(C) Each 2012 Series A Bond shall be lettered "AR" and shall be numbered consecutively from one (1) upwards in such order as the Trustee shall determine. Each 2012 Series B Bond shall be lettered "BR" and shall be numbered consecutively from one (1) upwards in such order as the Trustee shall determine. The 2012 Bonds shall be issued in authorized denominations of $5,000 or any integral multiple thereof.

(D) The 2012 Bonds shall be sold to such purchaser or purchasers as the Corporation shall determine. An Authorized Officer of the Corporation shall, subject to Section 4.1 of the Resolution, determine the portion of the proceeds of sale of the 2012 Bonds of each Series to be deposited in the Revenue Account, Bond Proceeds Account (including the Capitalized Interest Sub-Account) and Debt Service Reserve Account.

Section 102. Redemption Provisions. (A) The 2012 Series A Bonds shall be subject to redemption at all times as follows:

3 The 2012 Series A Bonds shall be subject to mandatory redemption, in whole or in part, at any time prior to maturity, at a Redemption Price equal to 100% of the principal amount of the 2012 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing (a) Recoveries of Principal deposited in the Redemption Account and resulting from (i) proceeds from the acceleration of payments due on the Mortgage Loan or other remedial proceedings taken in the event of a default thereon, (ii) proceeds of any insurance award resulting from the damage or destruction of the Project which are required to be applied to the payment of the Mortgage Note pursuant to the Mortgage, or proceeds of title insurance, (iii) proceeds of any condemnation award resulting from the taking by condemnation (or by agreement of interested parties in lieu of condemnation) by any governmental body or by any person, firm or corporation acting under governmental authority, of title to or any interest in or the temporary use of the Project or any portion thereof, or (iv) proceeds of the sale, assignment, endorsement or other disposition of the Mortgage Loan required pursuant to Section 7.10 of this Resolution or made when, in the sole judgment of the Corporation, the Mortgage Loan is in default; in each of (i) through (iv) above, with respect to the portion of the Mortgage Loan or Project, as the case may be, relating to the 2012 Series A Bonds, and (b) any other moneys made available under the Resolution in connection with the redemptions described in (a) of this paragraph.

4 The 2012 Series A Bonds shall be subject to mandatory redemption, in whole or in part, at any time prior to maturity on or after [July 1, 2022], at a Redemption Price equal to 100% of the principal amount of the 2012 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing (a) Recoveries of Principal deposited in the Redemption Account and resulting from the advance payment of amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor, with respect to the portion of the Mortgage Loan relating to the 2012 Series A Bonds, (b) Recoveries of Principal deposited in the Redemption Account and resulting from proceeds of the sale, assignment, endorsement or other disposition of the Mortgage Loan (other than a sale, assignment, endorsement or other disposition required pursuant to Section 7.10 of the Resolution or made when, in the sole judgment of the Corporation, the Mortgage Loan is in default), with respect to the portion of the Mortgage Loan relating to the 2012 Series A Bonds.
and (c) any other monies made available under the Resolution in connection with the redemptions described in clauses (a) and (b) of this paragraph.

(5) The 2012 Series A Bonds shall be subject to redemption at the option of the Corporation, in whole or in part, at any time prior to maturity on or after [July 1, 2022], at the Redemption Price equal to 100% of the principal amount of the 2012 Series A Bonds or portions thereof to be redeemed, plus accrued interest to the Redemption Date.

(6) The 2012 Series A Bonds are subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, to the extent of amounts on deposit in the Bond Proceeds Account representing unexpended amounts allocable to the 2012 Series A Bonds not used to finance the Mortgage Loan, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2012 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

(7) The 2012 Series A Bonds due [July 1, 2026] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series A Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series A Bonds due [July 1, 2026], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series A Bonds and shall not constitute a Sinking Fund Payment:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 2022</td>
<td>$</td>
<td>July 1, 2024</td>
<td>$</td>
</tr>
<tr>
<td>July 1, 2022</td>
<td></td>
<td>Jan. 1, 2025</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2023</td>
<td></td>
<td>July 1, 2025</td>
<td></td>
</tr>
<tr>
<td>July 1, 2023</td>
<td></td>
<td>Jan. 1, 2026</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2024</td>
<td></td>
<td>July 1, 2026</td>
<td></td>
</tr>
</tbody>
</table>

(8) The 2012 Series A Bonds due [July 1, 2031] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series A Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments,
there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series A Bonds due [July 1, 2031], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series A Bonds and shall not constitute a Sinking Fund Payment:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 2027</td>
<td>$</td>
<td>July 1, 2029</td>
<td>$</td>
</tr>
<tr>
<td>July 1, 2027</td>
<td></td>
<td>Jan. 1, 2030</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2028</td>
<td></td>
<td>July 1, 2030</td>
<td></td>
</tr>
<tr>
<td>July 1, 2028</td>
<td></td>
<td>Jan. 1, 2031</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2029</td>
<td></td>
<td>July 1, 2031</td>
<td></td>
</tr>
</tbody>
</table>

(9) The 2012 Series A Bonds due [July 1, 2041] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series A Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series A Bonds due [July 1, 2041], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series A Bonds and shall not constitute a Sinking Fund Payment:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 2032</td>
<td>$</td>
<td>Jan. 1, 2037</td>
<td>$</td>
</tr>
<tr>
<td>July 1, 2032</td>
<td></td>
<td>July 1, 2037</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2033</td>
<td></td>
<td>Jan. 1, 2038</td>
<td></td>
</tr>
<tr>
<td>July 1, 2033</td>
<td></td>
<td>July 1, 2038</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2034</td>
<td></td>
<td>Jan. 1, 2039</td>
<td></td>
</tr>
<tr>
<td>July 1, 2034</td>
<td></td>
<td>July 1, 2039</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2035</td>
<td></td>
<td>Jan. 1, 2040</td>
<td></td>
</tr>
<tr>
<td>July 1, 2035</td>
<td></td>
<td>July 1, 2040</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2036</td>
<td></td>
<td>Jan. 1, 2041</td>
<td></td>
</tr>
<tr>
<td>July 1, 2036</td>
<td></td>
<td>July 1, 2041</td>
<td></td>
</tr>
</tbody>
</table>

(10) The 2012 Series A Bonds due [July 1, 2046] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution
on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series A Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series A Bonds due [July 1, 2046], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series A Bonds and shall not constitute a Sinking Fund Payment:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 2042</td>
<td>$</td>
<td>July 1, 2044</td>
<td>$</td>
</tr>
<tr>
<td>July 1, 2042</td>
<td></td>
<td>Jan. 1, 2045</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2043</td>
<td></td>
<td>July 1, 2045</td>
<td></td>
</tr>
<tr>
<td>July 1, 2043</td>
<td></td>
<td>Jan. 1, 2046</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2044</td>
<td></td>
<td>July 1, 2046</td>
<td></td>
</tr>
</tbody>
</table>

(B) The 2012 Series B Bonds shall be subject to redemption at all times as follows:

(1) The 2012 Series B Bonds shall be subject to mandatory redemption, in whole or in part, at any time prior to maturity, at a Redemption Price equal to 100% of the principal amount of the 2012 Series B Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing (a) Recoveries of Principal deposited in the Redemption Account and resulting from (i) proceeds from the acceleration of payments due on the Mortgage Loan or other remedial proceedings taken in the event of a default thereon, (ii) proceeds of any insurance award resulting from the damage or destruction of the Project which are required to be applied to the payment of the Mortgage Note pursuant to the Mortgage, or proceeds of title insurance, (iii) proceeds of any condemnation award resulting from the taking by condemnation (or by agreement of interested parties in lieu of condemnation) by any governmental body or by any person, firm or corporation acting under governmental authority, of title to or any interest in or the temporary use of the Project or any portion thereof, or (iv) proceeds of the sale, assignment, endorsement or other disposition of the Mortgage Loan required pursuant to Section 7.10 of this Resolution or made when, in the sole judgment of the Corporation, the Mortgage Loan is in default; in each of (i) through (iv) above, with respect to the portion of the Mortgage Loan or Project, as the case may be, relating to the 2012 Series B Bonds, and (b) any other moneys made available under the Resolution in connection with the redemptions described in (a) of this paragraph,

(2) The 2012 Series B Bonds shall be subject to mandatory redemption, in whole or in part, at any time prior to maturity on or after [July 1, 2022], at a Redemption Price equal to 100% of the principal amount of the 2012 Series B Bonds or portions thereof to be so
redeemed, plus accrued interest to the Redemption Date, from amounts representing (a) Recoveries of Principal deposited in the Redemption Account and resulting from the advance payment of amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor, with respect to the portion of the Mortgage Loan relating to the 2012 Series B Bonds, (b) Recoveries of Principal deposited in the Redemption Account and resulting from proceeds of the sale, assignment, endorsement or other disposition of the Mortgage Loan (other than a sale, assignment, endorsement or other disposition required pursuant to Section 7.10 of the Resolution or made when, in the sole judgment of the Corporation, the Mortgage Loan is in default), with respect to the portion of the Mortgage Loan relating to the 2012 Series B Bonds and (c) any other monies made available under the Resolution in connection with the redemptions described in clauses (a) and (b) of this paragraph.

(3) The 2012 Series B Bonds shall be subject to redemption at the option of the Corporation, in whole or in part, at any time prior to maturity on or after [July 1, 2022], at the Redemption Price equal to 100% of the principal amount of the 2012 Series B Bonds or portions thereof to be redeemed, plus accrued interest to the Redemption Date.

(4) The 2012 Series B Bonds are subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, to the extent of amounts on deposit in the Bond Proceeds Account representing unexpended amounts allocable to the 2012 Series B Bonds not used to finance the Mortgage Loan, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2012 Series B Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

(5) The 2012 Series B Bonds due [July 1, 20__] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series B Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series B Bonds due [July 1, 20__], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series B Bonds and shall not constitute a Sinking Fund Payment:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
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(6) The 2012 Series B Bonds due [July 1, 20__] shall be redeemed in part through application of Sinking Fund Payments as provided in Section 5.4(C) of the Resolution on January 1 and July 1 in each of the years set forth below and in the respective principal amounts set forth opposite each such date (the particular Bonds or portions thereof to be selected by lot), in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of each 2012 Series B Bond or portion thereof to be redeemed, plus accrued interest to the Redemption Date. Subject to the provisions of Section 5.4(D) and 5.5(B) of this Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due and the Corporation shall in any and all events be required to pay, on each of the dates set forth in the following table, the amount set opposite each such date in said table, and said amount is hereby established and shall constitute a Sinking Fund Payment for the retirement of the 2012 Series B Bonds due [July 1, 20__], except that the amount for such date in such table shall be payable at the stated maturity date of such 2012 Series B Bonds and shall not constitute a Sinking Fund Payment:

| Date | Amount | Date | Amount |

Section 103. **Method of Payment.** The principal or Redemption Price, if any, of the 2012 Bonds shall be payable at the Principal Office of the Trustee in New York, New York, or at the office designated for such payment of any successor. Interest on the 2012 Bonds shall be paid by check or draft of the Trustee mailed to the registered owners thereof as of the applicable Record Date at their respective addresses as shown on the registration books of the Corporation maintained by the Trustee. Upon written direction of the owner of $1,000,000 or more principal amount of Outstanding 2012 Bonds of a Series, the Trustee shall provide for wire transfer to or at the direction of such owner of all payments of interest due on such Series of 2012 Bonds so held.
APPENDIX B

The 2012 Bonds to be initially issued and secured hereby, and the Trustee’s Authentication Certificate to be endorsed thereon are to be in substantially the following forms, with necessary and appropriate variations, omissions and insertions as permitted or required by the Resolution:

(FORM OF REGISTERED BOND)

No. R-  CUSIP#

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
RESIDENTIAL REVENUE BOND
(COLLEGE OF STATEN ISLAND RESIDENCES), 2012 SERIES [A][B]

MATURITY DATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

INTEREST RATE:

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (herein sometimes called the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the laws of the State of New York (herein sometimes called the “State”), acknowledges itself indebted to, and for value received, hereby promises to pay, solely from the sources hereinafter provided, to the REGISTERED OWNER (as set forth above), upon presentation and surrender of this bond at the corporate trust office in the City of New York, New York of the Trustee hereinafter mentioned on the MATURITY DATE (unless redeemed prior thereto as hereinafter provided), the PRINCIPAL AMOUNT, and to pay, solely from said sources, interest thereon from the most recent Interest Payment Date to which interest has been paid, or, if no interest has been paid, from the date of issuance and delivery hereof, until the Corporation’s obligation with respect to the payment of said principal sum shall be discharged, at the INTEREST RATE specified above, payable semiannually on January 1 and July 1 in each year commencing on July 1, 2012. Both the principal of and the interest on this bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Payment of the interest on this bond on any Interest Payment Date will be made to the person appearing on the bond registration books of the Corporation as the registered owner hereof, such interest to be paid by check or draft mailed to the registered owner at such registered owner’s address. Upon written direction of the owner of $1,000,000 or more principal amount of Outstanding 2012 Bonds, the Trustee shall provide for wire transfer to or at the direction of such owner of all payments of interest due on the 2012 Bonds so held.
This bond is one of the bonds of a duly authorized issue of bonds in the aggregate principal amount of $_________ designated “Residential Revenue Bonds (College of Staten Island Residences)” and further designated “2012 Series [A][B]” (herein called the “2012 Bonds”), authorized to be issued under and pursuant to the “New York City Housing Development Corporation Act”, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York, as amended) and a resolution of the Corporation adopted on __________, 2012, and entitled: “Residential Revenue Bonds (College of Staten Island Residences) Bond Resolution” (herein called the “Resolution”), for the purpose of providing the Corporation with moneys to make a mortgage loan with respect to a residential housing development on the campus of The College of Staten Island located at 2800 Victory Boulevard in the Borough of Staten Island and County of Richmond, in the City and State of New York (the “Mortgage Loan”). Upon the terms and conditions prescribed by the Resolution, bonds in addition to the 2012 Bonds may be issued by the Corporation on a parity with the 2012 Bonds for the purposes described in the Resolution. The 2012 Bonds and any additional bonds are herein referred to as the “Bonds”. Copies of the Resolution are on file at the office of the Corporation, and at the corporate trust office of Deutsche Bank Trust Company Americas, as trustee under the Resolution (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 2012 Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2012 Bonds with respect thereto and the terms and conditions upon which the 2012 Bonds have been issued and may be issued thereunder. Any capitalized term used herein and not otherwise defined shall have the same meaning as set forth in the Resolution, unless the context otherwise requires.

The 2012 Bonds are subject to redemption prior to maturity, including redemption at par, on such terms and at such times as are set forth in the Resolution.

All Bonds issued and to be issued under the Resolution are and will be equally secured by the pledges and covenants made therein except as otherwise expressly provided or permitted in the Resolution. Upon certain conditions contained in the Resolution, the provisions thereof may be discharged and satisfied prior to the maturity of the 2012 Bonds. To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Corporation, with the written consent of the owners of at least two-thirds in principal amount of the Bonds then Outstanding (as defined in the Resolution) and, in case less than all of the Bonds would be affected thereby, with such consent of the owners of at least two-thirds in principal amount of the Bonds so affected then Outstanding. If such modification or amendment will by its terms not take effect so long as any Bonds of any specified series and maturity remain Outstanding, however, the consent of the owners of such Bonds shall not be required. The owner of this 2012 Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the provisions of the Resolution or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution. Upon the occurrence of certain events, on the conditions, in the manner and with the effect set forth in the Resolution, the principal of all or a portion of the 2012 Bonds issued thereunder and then
Outstanding, together with interest accrued thereon, may become or may be declared due and payable before the maturity thereof.

This bond is transferable, as provided in the Resolution, only upon the books of the Corporation kept for that purpose at the office of the Trustee by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's attorney duly authorized in writing, and thereupon a new fully registered 2012 Bond or Bonds in the same aggregate principal amount and of the same maturity and interest rate, shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of the charges, if any, therein prescribed. The Corporation and the Trustee for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due thereon and for all other purposes whatsoever.

The 2012 Bonds are issuable solely in fully registered form in the denomination of $5,000 or any whole multiple thereof. Subject to the conditions and upon the payment of the charges, if any, contained in the Resolution, 2012 Bonds, upon surrender thereof at the principal office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or such registered owner’s attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2012 Bonds, of any other authorized denominations, of the same maturity and interest rate.

This bond and the issue of which it forms a part are special revenue obligations of the Corporation payable solely out of the revenues and assets pledged therefor pursuant to the Resolution. There are pledged to the payment of the principal or Redemption Price hereof and interest thereon in accordance with the provisions of the Resolution, (i) the Revenues and (ii) all moneys and securities held in any Account established by the Resolution, subject only to the provisions of the Resolution permitting the use and application thereof for the purposes and on the conditions set forth in the Resolution. Such pledge and other obligations of the Corporation may be discharged, wholly or in part, at or prior to the maturity of the Bonds upon the making of provision for the payment of the principal thereof and the interest thereon on the terms and conditions set forth in the Resolution.

Neither the members of the Corporation nor any other person executing the 2012 Bonds shall be subject to any personal liability or accountability by reason of the issuance thereof.

The 2012 Bonds shall not be a debt of either the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2012 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor.
This bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been signed by the Trustee.
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2012 Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION has caused this bond to be executed in its name by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the _______ day of ________, 2012.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

(SEAL) By________________________
Authorized Officer

Attest:

_____________________________________________________
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2012 Bonds described in the within-mentioned Resolution and is one of the Residential Revenue Bonds (College of Staten Island Residences), 2012 Series A, of the New York City Housing Development Corporation.

Dated: ______________________

DEUTSCHE BANK TRUST COMPANY
AMERICAS,
Trustee

By________________________
Authorized Signature

B-5
Assignment

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

Please Insert Social Security
or other Identifying Number of
Assignee
(For computer record only)

________________________
________________________

Please Print or Typewrite Name and Address of Transferee

the within 2012 Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints

________________________ Attorney to transfer the within 2012 Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: ____________________

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within 2012 Bond in every particular, without alteration or enlargement or any change whatever.
STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("Assured Guaranty"), a New York stock insurance company, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Deutsche Bank Trust Company Americas, New York, New York, as paying agent on behalf of the holders of the 2012 Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.