FUNDING LOAN AGREEMENT

among

CITIBANK, N.A.,
as Funding Lender

and

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION,
as Governmental Lender

and

[_________],
as Fiscal Agent

Dated as of [June __, 2014]

Relating to

New York City Housing Development Corporation
Multi-Family Housing Revenue Debt Obligations
(Harlem Dowling)
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FUNDING LOAN AGREEMENT

This Funding Loan Agreement, dated as of [June __, 2014] (this “Funding Loan Agreement”), is entered into by CITIBANK, N.A. (together with any successor hereunder, the “Funding Lender”), the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York (together with its successors and assigns, the “Governmental Lender”), and [___________], a [national banking association organized and existing under the laws of the United States of America][New York banking corporation], as fiscal agent (the “Fiscal Agent”).

RECITALS

WHEREAS, the Governmental Lender has been created by and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law, constituting Chapter 44-b of the Consolidated Laws of the State of New York, as amended (the “Act”); and

WHEREAS, Harlem Dowling Alembic LLC, a New York limited liability company (the “Residential Space Borrower”), Home for Harlem Dowling, Inc., a New York not-for-profit corporation (the “Community Space Borrower” and, together with the Residential Space Borrower, the “Borrower”), and Harlem Dowling Housing Development Fund Company, Inc., a New York not-for-profit corporation (the “HDFC”) have requested the Governmental Lender to enter into this Funding Loan Agreement under which (i) the Funding Lender will advance funds (the “Funding Loan”) to or for the account of the Governmental Lender, and (ii) the Governmental Lender will apply the proceeds of the Funding Loan to make a loan (the “Borrower Loan”) to the Borrower to finance the acquisition, construction and equipping of a multi-family rental housing development and community space in the Borough of Manhattan in the City and State of New York to be known as “Harlem Dowling” (the “Project”); and

WHEREAS, simultaneously with the delivery of this Funding Loan Agreement, the Borrower will execute and deliver to the Governmental Lender one or more multifamily mortgage notes, each dated [June __, 2014] (collectively, the “Borrower Note”), and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the Project pursuant to one or more multifamily mortgages, each dated as of [June __, 2014] (collectively, as the same may be modified, amended or supplemented from time to time, the “Borrower Mortgage”), made by the Borrower in favor of the Governmental Lender, as pledged to the Fiscal Agent for the benefit of the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Funding Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender its Multi-Family Housing Revenue Debt Obligation (Harlem Dowling – Residential Space), dated [June __, 2014] (the “Residential Governmental Lender Obligation”) and its Multi-Family Housing Revenue Debt Obligation (Harlem Dowling – Community Space), dated [June __, 2014] (the “Community Governmental Lender Obligation”; the Residential Governmental Lender Obligation and the Community Governmental Lender Obligation each a “Governmental Lender Obligation” and, collectively, the “Governmental Lender Obligations”), evidencing its
obligation to make the payments due to the Funding Lender under the Funding Loan, as provided in this Funding Loan Agreement; and

WHEREAS, [clause from loan documents to describe borrower loan subsequent to conversion and define “Residential Loan”, “Residential Mortgage”, “Residential Note”, “Community Loan”, “Community Mortgage” and “Community Note”]

NOW, THEREFORE, THIS FUNDING LOAN AGREEMENT WITNESSETH:

It is hereby covenanted and declared that (i) the Governmental Lender Obligations are to be delivered to evidence the payment obligations of the Governmental Lender pursuant to this Funding Loan Agreement and (ii) the Governmental Lender does hereby covenant and agree to and with the Funding Lender and the Fiscal Agent, for the benefit (except as otherwise expressly provided herein) of the Funding Lender, as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Documents.

(b) The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The term “heretofore” means before, and the term “hereafter” means after, the effective date of this Funding Loan Agreement. The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(e) All references in this instrument to a separate instrument are to such separate instrument as the same may be modified, amended or supplemented from time to time pursuant to the applicable provisions thereof.

(f) 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.
(g) Any moneys, documents, securities, obligations or other items received by the Fiscal Agent pursuant to the terms of this Funding Loan Agreement shall be deemed to have been received by the Governmental Lender.

(h) References to the Funding Loan or a Governmental Lender Obligation as “tax exempt” or to the “tax exempt status” of the Funding Loan or a Governmental Lender Obligation are to the exclusion of interest on such Governmental Lender Obligation from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) (other than any period during which such Governmental Lender Obligation is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the Funding Loan or a “related person”).

(i) As used in this Funding Loan Agreement:

“Act” shall have the meaning set forth in the first WHEREAS clause hereto.

“Administrative Fee” shall mean the administrative and servicing fee of the Governmental Lender in the amount set forth in the Commitment, which shall be included in the interest rate on the Borrower Loan.

“Authorized Amount” shall mean $[__________], the maximum principal amount of the Funding Loan under this Funding Loan Agreement.

“Authorized Officer” shall mean (a) when used with respect to the Governmental Lender, the Chairperson, Vice-Chairperson, President, any Executive Vice President or any Senior Vice President of the Governmental Lender and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Governmental Lender then authorized to perform such act or discharge such duty; (b) when used with respect to the Borrower, any member or officer of the Borrower then authorized to act for the Borrower and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Borrower then authorized to perform such act or discharge such duty; (c) when used with respect to the Fiscal Agent, any Managing Director, Director, Vice President, Assistant Vice President, trust officer or corporate trust administrator of the Fiscal Agent then authorized to act for the Fiscal Agent and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Fiscal Agent then authorized to perform such act or discharge such duty; and (d) when used with respect to the Funding Lender, any Managing Director or Vice President of the Funding Lender and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Funding Lender then authorized to perform such act or discharge such duty.

“Borrower” shall have the meaning set forth in the second WHEREAS clause hereto.

“Borrower Loan” shall have the meaning set forth in the second WHEREAS clause hereto.
“Borrower Loan Agreement” shall mean the Construction and Project Loan Agreement, dated [June __, 2014], among the Governmental Lender, the Borrower and HDFC, as the same may be modified, amended or supplemented from time to time.

“Borrower Loan Documents” shall mean, collectively, (i) the Borrower Loan Agreement, (ii) the Borrower Note, (iii) the Borrower Mortgage, (iv) the Borrower Tax Certification, (v) UCC financing statements, (vi) such assignments of management agreements, contracts and other rights as may be reasonably required, (vii) all other documents and agreements evidencing, securing, governing or otherwise pertaining to the Borrower Loan, and (viii) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Borrower Mortgage” shall have the meaning set forth in the third WHEREAS clause hereto.

“Borrower Note” shall have the meaning set forth in the third WHEREAS clause hereto.

“Borrower Tax Certification” shall mean the tax certification of the Borrower delivered to the Governmental Lender and Tax Counsel in connection with the closing of the Borrower Loan.

“Business Day” shall mean any day other than (a) a Saturday or a Sunday, (b) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed, or (c) a day on which (i) the permanent home office of the Funding Lender, (ii) banking institutions located in the City or (iii) the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Certificate” shall mean (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 Funding Loan Agreement or (b) the report of an accountant as to audit or other procedures called for by this Funding Loan Agreement.

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

“Closing Costs” shall mean all items of expense, directly or indirectly payable or reimbursable by or to the Governmental Lender and related to the authorization and closing of the Borrower Loan, including, but not limited to, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, the financing fee of the Governmental Lender, and any other cost, charge or fee in connection with the closing of the Borrower Loan.

“Closing Date” shall mean [__________].

“Code” shall have the meaning set forth in Section 1.1(h) hereof.
“Commitment” shall mean the Construction and Permanent Financing Commitment and Agreement, dated [_______], among the Governmental Lender, the Borrower and [_______], as the same may be modified, amended or supplemented from time to time.

“Community Governmental Lender Obligation” shall have the meaning set forth in the fourth WHEREAS clause hereto.

[“Community Governmental Lender Obligation Maturity” shall mean the maturity date of the Community Note.]

“Community Loan” shall have the meaning set forth in the fifth WHEREAS clause hereto.

“Community Mortgage” shall have the meaning set forth in the fifth WHEREAS clause hereto.

“Community Note” shall have the meaning set forth in the fifth WHEREAS clause hereto, and a copy of which is attached hereto as EXHIBIT H.

“Community Space Borrower” shall have the meaning set forth in the second WHEREAS clause hereto.

“Escrow Payments” shall mean and include all amounts whether paid directly to the Governmental Lender or the Servicer representing payments to obtain or maintain mortgage insurance or any subsidy with respect to the Borrower Loan or the mortgaged premises or payments in connection with real estate taxes, assessments, water charges, sewer rents, fire or other insurance, replacement or operating reserves, the Administrative Fee or other like payments in connection therewith.

“Fiscal Agent” shall mean the Fiscal Agent designated herein and its successor or successors and any other person at any time substituted in its place pursuant hereto.

“Funding Loan” shall have the meaning set forth in the second WHEREAS clause hereto.

“Funding Loan Documents” shall mean, collectively, (i) this Funding Loan Agreement, (ii) the Residential Governmental Lender Obligation, (iii) the Community Governmental Lender Obligation, (iv) the Regulatory Agreement, (v) the Tax Certificate, (vi) the Borrower Loan Documents, (vii) all other documents and agreements evidencing, securing, governing or otherwise pertaining to the Funding Loan, and (viii) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Governmental Lender Obligation” or “Governmental Lender Obligations” shall have the meaning set forth in the fourth WHEREAS clause hereto.

“Government Obligations” shall mean (i) direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations and Separate Trading of Registered Interest and Principal of Securities (STRIPS), 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.

"HDFC" shall have the meaning set forth in the second WHEREAS clause hereto.

"Investment Securities" shall mean and include any of the following obligations, to the extent the same are at the time legal for investment of funds of the Governmental Lender under the Act, including the amendments thereto hereafter made, or under other applicable law, for investment of any moneys held under this Funding Loan Agreement:

(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 Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers' Home Administration and Export-Import Bank of the United States;

(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 Federal agencies 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 (ii) fully insured by the Federal Deposit Insurance Corporation or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service;

(f) any participation certificate of the Federal Home Loan Mortgage Corporation and any mortgage-backed securities of the Federal National Mortgage Association;

(g) short-term corporate obligations, known as Commercial Paper, with a maturity of up to 90 days which are issued by corporations that are deemed by a nationally recognized rating service to be in the highest rating category of such rating service;

(h) obligations of the City or the State;

(i) obligations of the New York City Municipal Water Finance Authority;
(j) obligations, the principal and interest of which, are guaranteed by the City or the State;

(k) obligations in which the Comptroller of the State of New York is authorized to invest in as specified in Section 98 of the State Finance Law, as amended from time to time; or

(l) any other investment permitted under the Governmental Lender’s investment guidelines adopted August 14, 1984, as amended from time to time.

"Investor Letter" shall mean a letter in substantially the form attached to this Funding Loan Agreement as EXHIBIT B, duly executed by the holder of the Governmental Lender Obligations and delivered to the Governmental Lender and the Fiscal Agent pursuant to Section 2.4(a) hereof.

"Loan Year" means a twelve-month period ending on the anniversary of the Closing Date in any year.

"Mandatory Prepayment" shall have the meaning given to such term in the Borrower Note.

"Maturity Date" shall mean the date on which the Funding Loan matures, as provided in Section 2.1(c) hereof.

"Mortgage Assignment Event" shall have the meaning given to such term in Section 9.1 hereof.

"Negative Arbitrage Account" shall mean the Negative Arbitrage Account established pursuant to this Funding Loan Agreement.

"Opinion of Counsel" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender, with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Governmental Lender Obligations from gross income for Federal income tax purposes, such opinion shall be provided by Tax Counsel.

"Permitted Encumbrances" shall mean 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 purposes.

"Pledged Revenues" shall mean the amounts pledged under this Funding Loan Agreement to secure the payment of principal, interest and premium, if any, due on the Funding Loan, as evidenced by the Governmental Lender Obligations, consisting of the following: (i) all income, revenues, proceeds, including insurance and condemnation proceeds, and other amounts to which the Governmental Lender is entitled (other than the Administrative Fee) received by the Fiscal Agent and derived from or in connection with the Project and the Funding Loan Documents, including all amounts due under the Borrower Loan Documents and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents, and (ii)
moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon, but shall not mean or include amounts required to be deposited into the Rebate Fund, any Escrow Payments, late charges or any amount entitled to be retained by the Servicer (which may include the Governmental Lender), as administrative, financing, extension or settlement fees of the Servicer.

"Proceeds Account" shall mean the Proceeds Account established pursuant to this Funding Loan Agreement.

"Project" shall have the meaning set forth in the second WHEREAS clause hereto.

"Rebate Fund" shall mean the Rebate Fund established pursuant to this Funding Loan Agreement.

"Regulatory Agreement" shall mean the Regulatory Agreement, dated as of [June __, 2014], by and among the Governmental Lender, the Borrower and The City of New York, acting by and through its Department of Housing Preservation and Development, as the same may be modified, amended or supplemented from time to time.

"Residential Governmental Lender Obligation" shall have the meaning set forth in the fourth WHEREAS clause hereto.

["Residential Governmental Lender Obligation Maturity" shall mean the maturity date of the Residential Note.]

"Residential Loan" shall have the meaning set forth in the fifth WHEREAS clause hereto.

"Residential Mortgage" shall have the meaning set forth in the fifth WHEREAS clause hereto.

"Residential Note" shall have the meaning set forth in the fifth WHEREAS clause hereto, and a copy of which is attached hereto as EXHIBIT G.

"Residential Space Borrower" shall have the meaning set forth in the second WHEREAS clause hereto.

"Resolution" shall mean the resolution of the Governmental Lender, adopted on [__________], authorizing the Funding Loan and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.

"Revenue Account" shall mean the Revenue Account established pursuant to this Funding Loan Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security" shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Obligations and this Funding Loan Agreement, as more fully set forth in Article IV hereof.
"Servicer" shall mean any person appointed to service the Borrower Loan in accordance with Section 8.4 hereof, which may include the Governmental Lender.

"Servicing Agreement" shall mean the Servicing Agreement with respect to the Borrower Loan, among the Governmental Lender, the Borrower, the Funding Lender and the Servicer, as the same may be modified, amended or supplemented from time to time.

"State" shall mean the State of New York.

"Tax Certificate" shall mean the Tax Regulatory Certificate, dated the Closing Date, executed and delivered by the Governmental Lender and the Borrower.

"Tax Counsel" shall mean Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

"Tax Counsel Approving Opinion" shall mean an opinion of Tax Counsel substantially to the effect that the Governmental Lender Obligations constitute valid and legally binding special revenue obligations of the Governmental Lender and that, under existing statutes and court decisions, interest on the Governmental Lender Obligations is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"Tax Counsel No Adverse Affect Opinion" shall mean an opinion of Tax Counsel substantially to the effect that the taking of the action specified therein, in and of itself, will not adversely affect the exclusion of interest on the Governmental Lender Obligations from gross income for Federal income tax purposes pursuant to Section 103 of the Code (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date. The effective date of this Funding Loan Agreement is set forth in Section 12.10 hereof.

Section 1.4. Designation of Time and Date for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the City. When used in this Funding Loan Agreement, if an action is specified to occur on a certain day, the term "day" shall mean a Business Day, unless the context requires otherwise.
Section 1.5. **Interpretation.** The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto or thereto.

**ARTICLE II**

**TERMS; GOVERNMENTAL LENDER OBLIGATIONS**

Section 2.1. **Terms.**

(a) **Principal Amount.** The total principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

(b) **Draw-Down Funding.** The provisions of this Section 2.1(b) shall be subject to the provisions of Section 7.10 hereof.

The Funding Loan is originated on a draw-down basis. Upon approval by the Servicer of a requisition pursuant to the terms of the Servicing Agreement from the Borrower for an advance under the Borrower Loan, the Funding Lender shall advance to the Fiscal Agent for the account of the Governmental Lender proceeds in an amount equal to the amount stated in such requisition. If such proceeds are received by the Fiscal Agent for deposit in the Proceeds Account by 1:00 p.m., New York City time, on the day of the advance, then the Fiscal Agent shall forward such funds to the Servicer on the same day to be advanced to the Borrower, and a corresponding amount of the Funding Loan will be considered advanced under this Funding Loan Agreement. If such funds are received by the Fiscal Agent after 1:00 p.m., New York City time, on the day of the advance, then the Fiscal Agent shall use its best efforts to forward such funds to the Servicer on the same day; provided, however, that if such funds are not forwarded to the Servicer until the following Business Day, then a corresponding amount of the Funding Loan will not be considered advanced under this Funding Loan Agreement until such following Business Day. Any amounts held by the Fiscal Agent in the Proceeds Account, other than amounts held after a Contingency Draw-Down made pursuant to Section 7.10 hereof, and not advanced shall not be invested. At least $55,000 in aggregate between the Residential Loan and the Community Loan must be advanced, as described above, on the Closing Date.

Amounts funded in the foregoing manner shall be noted, pro rata between the Residential Loan and the Community Loan in proportion to the respective [maximum/outstanding] principal amounts thereof, on the principal draw-down schedule attached to the applicable Governmental Lender Obligation and acknowledged thereon by the Fiscal Agent. In lieu of notation on the Governmental Lender Obligations by the Fiscal Agent of the principal amount funded with respect to the Funding Loan, the Fiscal Agent may record such information in the recordkeeping system maintained by the Fiscal Agent. Upon each advance by the Funding Lender and notation on the principal draw-down schedules attached to the Governmental Lender Obligations and acknowledged thereon by the Fiscal Agent, the aggregate amount of the Funding Loan advanced shall be outstanding. Notwithstanding anything herein to the contrary, the aggregate amount of the Funding Loan advanced by the Funding Lender may not exceed the Authorized Amount and
no amounts may be advanced after December 31, 2017 unless the Governmental Lender and the
Funding Lender have received a Tax Counsel No Adverse Affect Opinion with respect to such
additional funding.

(c) *Origination Date; Maturity.* The Funding Loan shall be originated on the Closing
Date and shall mature on [the later of (i) the Residential Governmental Lender Obligation
Maturity Date and the (ii) the Community Governmental Lender Obligation Maturity Date]. [To
be revised based on the maturity provisions in the notes.]

(d) *Principal.* The outstanding principal amount of the Funding Loan, as evidenced
by the Governmental Lender Obligations, as of any given date shall be the total amount
advanced by the Funding Lender to the Fiscal Agent for the account of the Governmental Lender
pursuant to paragraph (b) of this Section 2.1 to fund corresponding advances under the Borrower
Loan, less any payments of principal of the Governmental Lender Obligations previously
received by the Fiscal Agent upon payment of corresponding principal amounts under the
Borrower Note pursuant to paragraph (f) of this Section 2.1 (including any amounts deemed paid
in accordance with paragraph (f) of this Section 2.1).

The Funding Lender shall keep a record of all principal advances and principal
repayments made under the Funding Loan and the Borrower Loan and shall, upon written
request of the Governmental Lender or the Funding Lender, provide the Governmental Lender
and the Funding Lender with a statement of the outstanding principal balance of the
Governmental Lender Obligations.

(e) *Interest.* Interest shall be paid on the outstanding principal amount of the
Governmental Lender Obligation at the rate [set forth in the Borrower Note][of [_____] percent
(__%) per annum]. [To be revised based on the interest provisions in the notes.]

(f) *Corresponding Payments.* The payment or, subject to the provisions of Section
3.1(b) and Section 3.2 hereof, the repayment of principal, interest and premium, if any, due on
the Funding Loan, as evidenced by the Governmental Lender Obligations, shall be identical with
and shall be made on the same dates, in the same amounts (less the Administrative Fee) and on
the same terms and conditions, as the payment of principal, interest, premium, if any, fees and
other amounts due on the Borrower Loan as set forth in the Borrower Note. Notwithstanding the
foregoing, any payment of principal, interest and premium, if any, that becomes due on the
Funding Loan from time to time shall be deemed paid for the purposes of this Funding Loan
Agreement and the Governmental Lender Obligations, whether or not such payment was actually
made. Any amount deemed paid pursuant to this subsection (f) shall be deemed paid for the
purposes of this Funding Loan Agreement and the Governmental Lender Obligations only and
not for any other purpose including, but not limited to, obligations under the Borrower Loan or
the Borrower Note; provided, however, if the Servicer receives any amounts under the Borrower
Loan that had not previously been paid when due, resulting in amounts due under this Funding
Loan Agreement being deemed paid pursuant to this subsection (f), such amounts shall be paid to
the Funding Lender. [May be revised based on the payment timing provisions in the notes.]

Section 2.2. *Form of Governmental Lender Obligations.* As evidence of its obligation
to repay the Funding Loan, simultaneously with the delivery of this Funding Loan Agreement to
the Funding Lender, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Obligations. Each Governmental Lender Obligation shall be substantially in the form set forth in EXHIBIT A attached hereto, with such necessary and appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement.

Section 2.3. Execution and Delivery of Governmental Lender Obligations. Each Governmental Lender Obligation shall be executed in the name and on behalf of the Governmental Lender by the manual or facsimile signature of an Authorized Officer of the Governmental Lender and the corporate seal of the Governmental Lender (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 Governmental Lender, 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 the Governmental Lender Obligations shall cease to be such officer or employee before the Governmental Lender Obligations so signed and sealed shall have been actually delivered, the Governmental Lender Obligations may, nevertheless, be delivered as herein provided, as if the person who signed or sealed the Governmental Lender Obligations had not ceased to hold such office or be so employed. The Governmental Lender Obligations may be signed and sealed on behalf of the Governmental Lender by such persons as at the actual time of the execution of the Governmental Lender Obligations shall be duly authorized or hold the proper office in or employment by the Governmental Lender, although at the date of the Governmental Lender Obligations such persons may not have been so authorized or have held such office or employment. Each Governmental Lender Obligation shall bear thereon a certificate of authentication, executed manually by the Fiscal Agent. No Governmental Lender Obligation shall be entitled to any right or benefit under this Funding Loan Agreement or be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Fiscal Agent. Such certificate of the Fiscal Agent upon a Governmental Lender Obligation executed on behalf of the Governmental Lender shall be conclusive evidence that such Governmental Lender Obligation has been so authenticated and delivered under this Funding Loan Agreement and that the owner thereof is entitled to the benefits hereof.

Section 2.4. Transfer and Participation Restrictions.

(a) The Governmental Lender Obligations may be sold in whole (but not in part) to a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, (ii) is authorized to do business in the State, (iii) shall first have delivered to the Governmental Lender and the Fiscal Agent a signed Investor Letter in substantially the form attached hereto as EXHIBIT B, (iv) is approved in writing by the Governmental Lender (such approval not to be unreasonably withheld), (v) assumes the obligations of the Funding Lender under Article IX of this Funding Loan Agreement, (vi) is itself purchasing the Governmental Lender Obligations for its own account and not with a view to the resale or distribution thereof and acknowledges that it has conducted its own review of the credit for the Governmental Lender Obligations and further promises to require such assurances from any succeeding purchaser, and (vii) agrees to be bound by the provisions of this paragraph (b) and of paragraph (c) of this Section 2.4.
(b) The Funding Lender shall be entitled to sell a participation interest in the Governmental Lender Obligations (a "Participation"), but only to the extent, and subject to, the following conditions:

(i) as among the Governmental Lender, the Fiscal Agent and the Funding Lender, the Funding Lender shall remain 100% liable for its obligations under Article IX of this Funding Loan Agreement and shall remain the beneficial owner of the Governmental Lender Obligations;

(ii) the Participation must be for both (a) a principal amount of the Governmental Lender Obligations of at least one million dollars ($1,000,000) and (b) a corresponding portion of the Funding Lender’s obligations under Article IX of this Funding Loan Agreement;

(iii) the entity to which each Participation is sold, including subsequent sales, if any, must be a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, that is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, that is authorized to do business in the State and that shall first have delivered to the Governmental Lender and the Fiscal Agent a signed letter in substantially the form attached hereto as EXHIBIT C; and

(iv) the Funding Lender pays to the Governmental Lender, on the date of any sale of a Participation, a fee equal to 0.05% of the principal amount of the Governmental Lender Obligations that is subject to such Participation.

ARTICLE III

PREPAYMENT

Section 3.1. Prepayment under the Borrower Note. The Governmental Lender Obligations are subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Lender Obligations shall be subject to voluntary prepayment, in whole or in part, to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to 100% of the outstanding principal balance of the Borrower Note prepaid, plus interest on the Borrower Note to the date of prepayment.

Except as specifically permitted in the Borrower Note, the Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Lender Obligations to be prepaid, without the prior written consent of the Funding Lender, which may be withheld in the Funding Lender’s sole and absolute discretion.

(b) The Governmental Lender Obligations shall be subject to mandatory prepayment, in part, upon receipt by the Fiscal Agent of the Mandatory Prepayment in accordance with the terms of the Borrower Note and the Commitment, at a prepayment price equal to 100% of the outstanding principal balance of the Borrower Note prepaid, plus accrued interest on the
Borrower Note to the date of prepayment, plus any other amounts due and payable under the Borrower Note or the Borrower Loan Agreement.

Notwithstanding anything to the contrary contained in the Governmental Lender Obligations, this Funding Loan Agreement or any other Funding Loan Document, any payment due from the Governmental Lender to the Funding Lender as a result of the receipt by the Fiscal Agent of the Mandatory Prepayment shall be paid on the Governmental Lender Obligations at the direction of the Governmental Lender no later than the date that is 45 days after the date on which the Mandatory Prepayment is received by the Fiscal Agent.

Section 3.2. Prepayment by Governmental Lender. The Governmental Lender Obligations shall be subject to voluntary prepayment, in whole or in part, by the Governmental Lender, at any time prior to the Maturity Date, from any funds of the Governmental Lender, including, but not limited to, amounts received by the Governmental Lender under the Borrower Note as described in Section 3.1(a) hereof or from the proceeds of bonds, notes or other obligations of the Governmental Lender, at a prepayment price equal to 100% of the outstanding principal balance of the Governmental Lender Obligations prepaid, plus interest on the Governmental Lender Obligations to the date of prepayment.

Section 3.3. Notice of Prepayment. Notice of prepayment of the Governmental Lender Obligations pursuant to Section 3.1 hereof shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to the Funding Lender, the Governmental Lender and the Fiscal Agent in accordance with the terms of the Borrower Loan Documents, and no separate notice of prepayment of the Governmental Lender Obligations is required to be given. Notice of prepayment of the Governmental Lender Obligations pursuant to Section 3.2 hereof shall be given in writing by the Governmental Lender to the Fiscal Agent and the Funding Lender not less than 15 Business Days prior to the date of such prepayment.

ARTICLE IV
SECURITY

Section 4.1. Security.

(a) This Funding Loan Agreement creates a continuing pledge and lien on the Pledged Revenues and assets pledged hereunder to secure the full and final payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Governmental Lender Obligations. The Governmental Lender Obligations shall be special revenue obligations of the Governmental Lender payable solely from the Pledged Revenues and assets pledged therefor pursuant to this Funding Loan Agreement. Each Governmental Lender Obligation shall contain on its face a statement that such Governmental Lender Obligation 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 such Governmental Lender Obligation be payable out of any funds of the Governmental Lender other than those of the Governmental Lender pledged therefor.

(b) The Pledged Revenues relating to the Borrower Loan and all amounts held in any funds and accounts established under this Funding Loan Agreement, including investments
thereof, are hereby pledged to the Fiscal Agent for the benefit of the Funding Lender to secure the payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Governmental Lender Obligations, all in accordance with its terms and the provisions of this Funding Loan Agreement, subject only to the provisions of this Funding Loan Agreement permitting the use and application thereof for or to the purposes and on the terms and conditions set forth herein. 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 thereof.

(c) To secure the payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Governmental Lender Obligations, the Governmental Lender does hereby pledge to the Fiscal Agent for the benefit of the Funding Lender all of its right, title and interest in and to the Borrower Loan and the Borrower Loan Documents, including but not limited to all rights to receive payments on the Borrower Note (other than the Administrative Fee), including all proceeds of insurance or condemnation awards, which pledge shall be valid and binding from and after the effective date of this Funding Loan Agreement. 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 thereof.

ARTICLE V

LIMITED LIABILITY

Section 5.1. Obligation of the Governmental Lender and of the Funding Loan. The Governmental Lender Obligations shall be special revenue obligations of the Governmental Lender payable solely from the Pledged Revenues and assets pledged therefor pursuant to this Funding Loan Agreement. The Governmental Lender Obligations 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 Governmental Lender Obligations be payable out of any funds of the Governmental Lender other than those of the Governmental Lender pledged therefor. The Governmental Lender has no taxing power.

Section 5.2. No Recourse under this Funding Loan Agreement or the Governmental Lender Obligations. All covenants, stipulations, promises, agreements and obligations of the Governmental Lender contained in this Funding Loan Agreement and the Governmental Lender Obligations shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Governmental Lender and not of any member, officer or employee of the Governmental Lender in such member's, officer's or employee's individual capacity, and no recourse shall be had for the payment of principal, interest and premium, if any, on the Governmental Lender Obligations or for any claim based thereon or on this Funding Loan Agreement against any member, officer or employee of the Governmental Lender or any natural person executing this Funding Loan Agreement or the Governmental Lender Obligations.
ARTICLE VI

CLOSING CONDITIONS

Section 6.1. Conditions Precedent to Closing. Closing of the Funding Loan on the Closing Date shall be conditioned upon the satisfaction or waiver by the Funding Lender or the Governmental Lender, as the case may be, of each of the applicable conditions precedent to closing set forth in this Funding Loan Agreement, including, but not limited to, the following:

(a) Receipt by the Funding Lender of the original of each Governmental Lender Obligation executed by the Governmental Lender and authenticated by the Fiscal Agent;

(b) Receipt by the Governmental Lender and the Funding Lender of executed counterparts of this Funding Loan Agreement, the Borrower Loan Documents, the Regulatory Agreement and the Tax Certificate;

(c) Receipt by the Funding Lender of a certified copy of the Resolution;

(d) Delivery into escrow of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan;

(e) Receipt by the Governmental Lender of a Tax Counsel Approving Opinion, together with a letter, dated as of the Closing Date, from Tax Counsel addressed to the Funding Lender and the Fiscal Agent stating that the Funding Lender may rely on such opinion as though it was addressed to the Funding Lender and the Fiscal Agent;

(f) Receipt by the Governmental Lender and the Funding Lender of an Opinion of Counsel from Tax Counsel substantially to the effect that the Governmental Lender Obligations are exempt from registration under the Securities Act, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(g) Receipt by the Funding Lender of an opinion, dated as of the Closing Date, of the General Counsel of the Governmental Lender, in form and substance acceptable to the Funding Lender;

(h) Receipt by the Governmental Lender of an opinion, dated as of the Closing Date, of Jones Day, New York, New York, special counsel to the Funding Lender, in form and substance acceptable to the Governmental Lender;

(i) Receipt by the Governmental Lender and the Funding Lender of an opinion, dated as of the Closing Date, of [__________], counsel to the Fiscal Agent, in form and substance acceptable to the Governmental Lender and the Funding Lender;

(j) Receipt by the Governmental Lender and the Funding Lender of an opinion, dated as of the Closing Date, of Goldstein Hall PLLC, counsel to the Borrower, in form and substance acceptable to the Governmental Lender and the Funding Lender;
(k) Evidence of (a) the approval of the terms of the making of the Funding Loan, as evidenced by the Governmental Lender Obligations, by the Comptroller of The City of New York and (b) the approval of the Mayor with respect to the Governmental Lender Obligations pursuant to Section 147(f) of the Code;

(l) Receipt by the Governmental Lender, contemporaneously with the receipt of the Governmental Lender Obligations, of a receipt for the Governmental Lender Obligations delivered by the Funding Lender, in form satisfactory to Tax Counsel;

(m) Receipt by the Governmental Lender and the Funding Lender of an executed counterpart of the Letter of Representation and Indemnity Agreement of the Borrower, dated the Closing Date, in substantially the form attached hereto as EXHIBIT F (the “Letter of Representation and Indemnity Agreement”);

(n) Receipt by the Governmental Lender and the Funding Lender of a certificate of the Borrower, dated the Closing Date, in form and substance satisfactory to the Governmental Lender and the Funding Lender to the effect that (a) the representations, warranties and covenants of the Borrower contained in each of the Funding Loan Documents to which it is a party and contained in the Letter of Representation and Indemnity Agreement executed by the Borrower, are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, (b) no litigation of any nature is now pending or, to the knowledge of the Borrower or any of its members, threatened against and in any way adversely affecting the existence of the Borrower or its members, involving the Project in any material respect, or seeking to restrain or enjoin the issuance, execution or delivery of the Governmental Lender Obligations, or the financing of the Borrower Loan or the Funding Loan, or the acquisition, construction or equipping of the Project, or in any way contesting or affecting the validity or enforceability of the Governmental Lender Obligations or each of the Funding Loan Documents to which the Borrower is a party or the Letter of Representation and Indemnity Agreement executed by the Borrower, or any proceedings of the Borrower taken with respect to the execution or delivery thereof, or the application of any moneys or security provided for the payment of the Governmental Lender Obligations, or contesting the existence, powers or authority of the Borrower with respect to each of the Funding Loan Documents to which the Borrower is a party or with respect to the Letter of Representation and Indemnity Agreement executed by the Borrower or, to the knowledge of the Borrower or its members, without independent inquiry, challenging the exclusion of interest on the Governmental Lender Obligations from gross income for federal income tax purposes, and (c) the Borrower has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date, and covering such other matters as may be requested by the Governmental Lender and the Funding Lender; and

(o) Receipt by the Funding Lender, the Governmental Lender and Tax Counsel of any other documents or opinions that the Funding Lender, the Governmental Lender or Tax Counsel may require.
ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.1. Establishment of Funds. (a) There are established with the Fiscal Agent the following funds and accounts:

(1) The Proceeds Account;
(2) The Revenue Account [interest reserve sub-account?];
(3) The Rebate Fund; and
(4) The Negative Arbitrage Account.

(b) All such funds and accounts shall be held and maintained by the Fiscal Agent and shall be identified by the Governmental Lender and the Fiscal Agent according to the designations herein provided in such manner as to distinguish such funds and accounts from the funds and accounts established by the Governmental Lender for any other of its obligations. All moneys or securities held by the Fiscal Agent pursuant to this Funding Loan Agreement shall be held in trust and applied only in accordance with the provisions of this Funding Loan Agreement and the Act.

(c) Earnings on all funds and accounts required to be deposited into the Rebate Fund, if any, shall be deposited, at least as frequently as the end of each fifth Loan Year and at the time that the obligations of the Governmental Lender evidenced by the Governmental Lender Obligations are discharged, into the Rebate Fund, and earnings on all funds and 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 fund or account for which the Investment Security was purchased, shall be deposited, as realized, into the Revenue Account.

(d) 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 Funding Loan Agreement and the Act and shall not be pledged to secure any obligations under this Funding Loan Agreement.

Section 7.2. Deposits. (a) In order to permit amounts held by the Fiscal Agent under this Funding Loan Agreement to be available for use at the time when needed, any such amounts may, if and as directed in writing by the Governmental Lender, be deposited in the corporate trust department of the Fiscal Agent which may honor checks and drafts on such deposit with the same force and effect as if it were not the Fiscal Agent. The Fiscal Agent 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 Fiscal Agent pursuant to paragraph (a) above shall be continuously and fully secured (i) by lodging with the Fiscal Agent as custodian, as collateral security, Investment Securities having a market value (exclusive of accrued interest) not less than
the amount of such deposit, and (ii) 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 Fiscal Agent to give security under this Section 7.2 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 Fiscal Agent for the payment of the obligations of the Governmental Lender evidenced by the Governmental Lender Obligations, or for the Fiscal Agent to give security for any moneys which shall be represented by obligations or certificates of deposit (of issuers other than the Fiscal Agent) purchased as an investment of such moneys.

(c) All amounts so deposited by the Fiscal Agent shall be credited to the particular fund or account from which such amounts were derived.

Section 7.3. Investment of Certain Funds. (a) Subject to the right of the Governmental Lender to direct the investment or deposit of funds hereunder, moneys in any fund or account shall be continuously invested and reinvested or deposited and redeposited by the Fiscal Agent in the highest yield Investment Securities that may be reasonably known to the Fiscal Agent, or deposited and redeposited as provided in Section 7.2 hereof, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Governmental Lender shall consult with the Fiscal Agent from time to time as to the investment of amounts in the funds and accounts established or confirmed by this Funding Loan Agreement. The Governmental Lender shall (except as provided below) direct the Fiscal Agent to invest and reinvest the moneys in any fund or account in Investment Securities so that the maturity date or date of redemption at the option of the owner thereof shall 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 Fiscal Agent, or for its account as Fiscal Agent, and shall be deemed at all times to be part of such fund or account, and the Fiscal Agent shall keep the Governmental Lender advised as to the details of all such investments.

(b) Investment Securities purchased as an investment of moneys in any fund or account held by the Fiscal Agent under the provisions of this Funding Loan Agreement shall be deemed at all times to be a part of such fund or account but the income or interest earned and gains realized in excess of losses suffered by an fund or account due to the investment thereof shall be deposited, as realized, in the Revenue Account or shall be credited as Pledged Revenues to the Revenue Account from time to time and reinvested, except as otherwise provided in Section 7.1(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 fund or account for which the Investment Security was purchased.

(c) To the extent permitted by law, the Fiscal Agent may commingle any amounts on deposit in the funds and accounts held under this Funding Loan Agreement for the purpose of purchasing Investment Securities. However, the Fiscal Agent shall maintain and keep separate accounts of such funds and accounts at all times.

(d) The Fiscal Agent shall, at the direction of the Governmental Lender, sell at the best price obtainable, or present for redemption or exchange, any Investment Security purchased
by it pursuant to this Funding Loan Agreement whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Fiscal Agent shall advise the Governmental Lender in writing, on or before the twentieth day of each calendar month, of all investments held for the credit of each fund or account in its custody under the provisions of this Funding Loan Agreement as of the end of the preceding month.

(e) Upon receipt of written instructions from an Authorized Officer of the Governmental Lender, the Fiscal Agent shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to this Funding Loan Agreement for any other coin or currency of the United States of America or Investment Securities of like amount.

Section 7.4. Valuation and Sale of Investments. (a) In computing the amount in any fund or 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 Fiscal Agent shall 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 Governmental Lender to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any fund or account held by it. An Investment Security may be credited on a pro rata basis to more than one fund or account and need not be sold in order to provide for the transfer of amounts from one fund or account to another.

Section 7.5. Proceeds Account.

(a) All proceeds of the Funding Loan advanced by the Funding Lender from time to time shall be deposited to the Proceeds Account and disbursed as provided herein and in the Servicing Agreement. There shall also be deposited in the Proceeds Account any other amounts determined by the Governmental Lender to be deposited therein from time to time.

(b) Amounts in the Proceeds Account shall be expended only (i) to finance the Borrower Loan, in accordance with Section 7.6 hereof; (ii) to pay Closing Costs; (iii) to make transfers to the Revenue Account in accordance with paragraph (d) of this Section 7.5.

(c) The Fiscal Agent shall pay out and permit the withdrawal of amounts on deposit in the Proceeds Account at any time for the purpose of making payments pursuant to clause (i) or (ii) of paragraph (b) of this Section 7.5, but only upon receipt of:

(1) a written requisition, executed by an Authorized Officer of the Borrower [(with respect to financing the Borrower Loan) or the Governmental Lender (with respect to Closing Costs)], 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 Governmental Lender) and, in reasonable detail, the purpose of such withdrawal;

(2) [if such requisition is in connection with the financing of the Borrower Loan,] a Certificate of the Servicer approving such requisition and stating that (i) the amount to be withdrawn from the Proceeds Account pursuant to such requisition is a
proper charge thereon, (ii) the Borrower Loan complies with the provisions of this Funding Loan Agreement, (iii) the amount of all payments theretofore or thereupon made by the Governmental Lender for financing the Borrower Loan does not exceed the amount of the Borrower Loan, and (iv) to the best knowledge of such Authorized Officer or of the Servicer, as applicable, the Borrower is not currently in default under any terms or provisions of the Borrower Loan, excepting only such defaults as may have been disclosed by the Borrower to the Governmental Lender or the Servicer, as applicable, and waived by such party in accordance with the terms of the Borrower Loan Documents or the Servicing Agreement, as applicable;

(3) if such requisition is in connection with the financing of the Borrower Loan, a Certificate of an Authorized Officer of the Borrower that neither the amount of the requisition nor the application of the amounts so requisitioned will jeopardize the ability of the Borrower to deliver the Certificates required by Sections 7.6(5) and (6) hereof; and

(4) if such requisition is in connection with the financing of the Borrower Loan, a Certificate of an Authorized Officer of the Borrower that, as of the date of such Certificate, (i) the Borrower has not been advised that the Tax Counsel Approving Opinion may no longer be relied upon, (ii) there has been no adverse change in pertinent existing law or regulations or interpretations thereof, including, but not limited to, regulations, rulings and interpretations of the Internal Revenue Service, subsequent to the date of issuance of the Tax Counsel Approving Opinion, (iii) the representations, covenants, certifications and statements contained in the Borrower Tax Certification are true and accurate and are being complied with, and (iv) no litigation is pending affecting the issuance, legality or validity of any Governmental Lender Obligation or the exclusion of interest on any Governmental Lender Obligation from gross income for Federal income tax purposes.

(d) At any time and upon three (3) days’ prior written notice to the Funding Lender, the Governmental Lender may direct the Fiscal Agent in writing to transfer moneys in the Proceeds Account not required for the financing of the Borrower Loan to the Revenue Account to apply such moneys directly to the payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Obligations, whereupon the Fiscal Agent shall comply with such direction of the Governmental Lender.

(e) Immediately prior to any prepayment of the Funding Loan in whole (but not in part) pursuant hereto, any amounts then remaining in the Proceeds Account shall, at the written direction of the Governmental Lender, be transferred to the Revenue Account to be applied to the prepayment of the Funding Loan pursuant hereto.

Section 7.6. Financing of the Borrower Loan: Conditions Precedent. Amounts in the Proceeds Account shall not be disbursed for financing the Borrower Loan, including either advances during construction or permanent financing thereof, as applicable, unless:

(1) prior to the payment of the first requisition of amounts on deposit in the Proceeds Account, the Borrower Loan Documents shall have been duly executed and
delivered, and, in the opinion of counsel, who may be counsel to the Borrower, 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;

(2) prior to the payment of the first requisition of amounts on deposit in the Proceeds Account, there shall have been filed with the Fiscal Agent, an opinion of counsel, who may be counsel to the Governmental Lender, to the effect that the Borrower Loan complies with all provisions of the Act and this Funding Loan Agreement;

(3) prior to the payment of any requisition of amounts on deposit in the Proceeds Account, the Borrower 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 Borrower Loan, issued by a company or companies satisfactory to the Governmental Lender, insuring in favor of the Fiscal Agent and the Governmental Lender, a first mortgage lien, subject only to Permitted Encumbrances, on the real property securing the Borrower Loan;

(4) prior to the payment of the first requisition of amounts on deposit in the Proceeds Account, the Project is insured against loss by fire and other hazards as required by the Governmental Lender; such insurance shall be in an amount necessary to prevent the Governmental Lender from becoming a co-insurer and in any event in an amount at least equal to the lesser of (i) 80% of the insurable value of the Project or (ii) the unpaid principal balance of the Borrower Loan. Such policy shall be endorsed with the standard mortgagee clause with loss payable to the Governmental Lender;

(5) prior to the payment of the requisition of any portion of the final 10% of amounts deposited in the Proceeds Account, the Governmental Lender and Tax Counsel have received, a Certificate of an Authorized Officer of the Borrower satisfactory to them that (i) the Borrower has complied with the Borrower Tax Certification delivered on or prior to the Closing Date, and (ii) the Borrower will be able to deliver or cause delivery of the Accountant’s and Architect’s Certificate for Final Draw-Down of Funds and the Developer’s Certificate as to Use of Loan Proceeds (each as set forth in the Borrower Tax Certification) at the time of final draw-down in form and substance substantially the same as the certificates specified in the Borrower Tax Certification and delivered on or prior to the Closing Date; and

(6) prior to the payment of the final requisition of amounts on deposit in the Proceeds Account, the Governmental Lender and Tax Counsel have received, the Accountant’s and Architect’s Certificate for Final Draw-Down of Funds and the Developer’s Certificate as to Use of Loan Proceeds (each as set forth in the Borrower Tax Certification) in form and substance satisfactory to them.

Section 7.7. Maintenance of Escrows. (a) All amounts, if any, received by the Governmental Lender or the Servicer of the Borrower Loan as Escrow Payments shall be deposited as promptly as possible in escrow accounts maintained by the Governmental Lender or the Servicer, as the case may be. Amounts in such escrow accounts, or in any sub-account therein, shall be within the control of the Governmental Lender or the Servicer, as the case may
be, and may, but need not, be held by the Fiscal Agent. Such amounts may be set aside and held with any similar funds similarly held and may be applied to any lawful purpose of the Governmental Lender or the Servicer, as the case may be, subject to the terms of the Borrower Loan with respect to which such amounts were received and of any agreement between the Governmental Lender and the Borrower relating to the Borrower Loan. All Escrow Payments and all Pledged Revenues and other payments received and held by a depository with respect to such Borrower Loan shall be separately identified.

(b) Upon the happening of a Mortgage Assignment Event, the Governmental Lender shall take any and all steps necessary in order to effectuate the assignment of all the Governmental Lender’s right, title and interest in and to the Escrow Payments to the Funding Lender.

Section 7.8. Revenue Account. (a) The Fiscal Agent shall deposit into the Revenue Account any amounts received from the Borrower, the Servicer or the Governmental Lender as payments of principal, interest or premium, if any, on the Borrower Loan and any other amounts received by the Fiscal Agent that are subject to the lien and pledge of this Funding Loan Agreement. There shall also be deposited in the Revenue Account any other amounts determined by the Governmental Lender to be deposited therein from time to time.

(b) The Fiscal Agent shall apply all amounts on deposit in the Revenue Account in the following order of priority:

1. first, to pay or provide for the payment of the Administrative Fee;

2. second, to pay or provide for the payment of the interest then due on the Funding Loan;

3. third, to pay or provide for the payment or the prepayment of principal on the Funding Loan, provided moneys have been transferred or deposited into the Revenue Account for such purpose; and

4. fourth, to pay or provide for the payment of the Funding Loan on the Maturity Date.

Section 7.9. 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 Fiscal Agent or the Funding Lender or any other person other than as set forth herein.

(b) The Fiscal Agent, upon the concurrent receipt of (i) a certification from an Authorized Officer of the Governmental Lender of the amount, if any, required to be deposited in the Rebate Fund in order to comply with the covenants contained in Section 8.6 hereof (the “Rebate Amount”), and (ii) moneys in an amount equal to the Rebate Amount, shall deposit in the Rebate Fund at least as frequently as the end of each fifth Loan Year and at the time that the obligations of the Governmental Lender evidenced by the Governmental Lender Obligations are discharged, each such amount delivered to the Fiscal Agent for deposit thereto.
(c) Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the funds and accounts established under this Funding Loan Agreement, except as otherwise specified by an Authorized Officer of the Governmental Lender to the extent necessary to comply with the covenants contained in Section 8.6 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 Fiscal Agent, upon the receipt of written instructions from an Authorized Officer of the Governmental Lender, shall withdraw such excess amount and deposit it in the Revenue Account.

(e) The Fiscal Agent, upon the receipt of written instructions and certification of the Rebate Amount from an Authorized Officer of the Governmental Lender, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five years after the Closing Date, 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 as of the date of such payment, and (ii) not later than 60 days after the earlier of the Maturity Date or the date on which the obligations of the Governmental Lender evidenced by the Governmental Lender Obligations are discharged, 100% of the Rebate Amount as of the date of payment.

Section 7.10. Negative Arbitrage Account; Contingency Draw-Down.

(a) Subject to the provisions of Section 4.1 and Section 7.3 hereof, the monies deposited to the credit of the Negative Arbitrage Account, including all obligations held as investments thereof and the proceeds of such investments, shall be held in trust and applied only for the purpose of disbursement as permitted by this Section 7.10 and are hereby pledged to the Funding Lender, pending such application, for the security of the payment of interest on the Governmental Lender Obligations, and shall at all times be subject to the lien of such pledge until paid out and transferred as herein provided.

[NOTE: the Borrower Loan Agreement needs to include provisions requiring the Borrower to fund the Negative Arbitrage Account.]

(b) In the event the Funding Lender determines that legislative, judicial or other developments have occurred or other circumstances have emerged which could result in interest on the Governmental Lender Obligations in an amount equal to the unfunded portion of the Borrower Loan (such unfunded portion, the “Remaining Loan Amount”) not being excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, or otherwise determines in good faith that it is in its best interest to cause the Remaining Loan Amount to be fully advanced in order to assure that interest on the Governmental Lender Obligations will remain excluded from gross income for Federal income tax purposes, then the Funding Lender may provide a written letter of direction (a “Draw-Down Notice”) to the other parties hereto and to the Borrower, with a copy to the Tax Counsel whose Tax Counsel Approving Opinion is then in effect (“Current Tax Counsel”), to cause the Remaining Loan Amount to be advanced in full. The Draw-Down Notice, if given, shall take effect on the [fifth]
Business Day (or such greater number of Business Days to which the Governmental Lender, the Borrower and the Funding Lender may agree in writing, with written notice to the other parties hereto and Current Tax Counsel) following the date on which the Funding Lender sends written notification to the other parties hereto, with a copy to Current Tax Counsel, referencing the Draw-Down Notice and containing substantially the following words: “The Funding Lender elects to advance the Remaining Loan Amount ($________) on ___________ (the “Draw-Down Date”).” The Draw-Down Notice will be delivered in the manner provided for notices hereunder, provided that the Draw-Down Notice will be delivered to the Borrower in the manner set forth in the Borrower Note and to Current Tax Counsel in the manner directed by the Governmental Lender.

(c) Promptly after receipt of a timely Draw-Down Notice, the Funding Lender shall advance the Remaining Loan Amount to the Fiscal Agent for deposit in the Proceeds Account, to be held for disbursements pursuant to the provisions of the Servicing Agreement and Section 7.5 hereof. The advance of the Remaining Loan Amount shall be treated as the funding of the full remaining principal amount of the Borrower Loan under the Borrower Loan Agreement, a like amount of the Funding Loan shall be deemed concurrently and simultaneously advanced under this Funding Loan Agreement and the Governmental Lender Obligations shall be outstanding in the full Authorized Amount less any payments of principal of the Governmental Lender Obligations previously received by the Fiscal Agent upon payment of corresponding principal amounts under the Borrower Note pursuant to Section 2.1(f) hereof (including any amounts deemed paid in accordance with Section 2.1(f) hereof).

(d) Amounts in the Negative Arbitrage Account shall be disbursed and notice shall be provided in the same manner as moneys in the Revenue Account pursuant to Section 7.8 hereof, strictly in accordance with the terms of this Funding Loan Agreement and the Borrower Loan Documents.

(e) The parties hereto each acknowledge that, if given, a Draw-Down Notice will be implemented in a simple form in order to address certain unlikely contingencies in the most expeditious manner possible. The parties hereto further agree to proceed in a good faith manner with such further documentation, clarification, amendment of existing documents and/or supplemental direction as any party hereto may reasonably request in order to implement the spirit of this Section 7.10 and/or to address additional factors or circumstances arising from this Section 7.10 or the delivery of a Draw-Down Notice.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.1. Representations of the Governmental Lender. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, created by and pursuant to the Act. The Governmental Lender is authorized by the Act, in furtherance of the
public purposes described in the Act, to engage in the transactions contemplated by the Funding Loan Documents to which it is a party.

(b) The Governmental Lender has complied with all provisions of the Constitution and laws of the State, including the Act, and has full power and authority to (i) incur the special revenue obligations represented by the Governmental Lender Obligations and apply the proceeds of the Funding Loan to finance the Borrower Loan, (ii) enter into each of the Funding Loan Documents to which it is a party and (iii) carry out and consummate the transactions contemplated by the Funding Loan Documents to which it is a party.

(c) The incurrence of the special revenue obligations represented by the Governmental Lender Obligations, the application of the proceeds of the Funding Loan to finance the Borrower Loan and the execution and delivery of the Governmental Lender Obligations and this Funding Loan Agreement and the other agreements contemplated by the Funding Loan Documents to which the Governmental Lender is a party, and compliance with the provisions hereof and thereof, do not and will not conflict with or constitute on the part of the Governmental Lender a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, resolution, mortgage, lease or other instrument to which the Governmental Lender is subject or by which it is or may be bound.

(d) There is no litigation or other proceeding of any nature now pending or threatened against or adversely affecting the Governmental Lender of which the Governmental Lender has notice or, to the Governmental Lender’s knowledge, any basis therefor, seeking to restrain or enjoin the incurrence of the special revenue obligations represented by the Governmental Lender Obligations the Funding Loan and application of the proceeds of the Funding Loan to finance the Borrower Loan, or in any way contesting or affecting the validity of the Governmental Lender Obligations and this Funding Loan Agreement and the other agreements contemplated by the Funding Loan Documents to which the Governmental Lender is a party, or any proceedings of the Governmental Lender taken with respect to the incurrence of the special revenue obligations represented by the Governmental Lender Obligations and application of the proceeds of the Funding Loan to finance the Borrower Loan, or the pledge, collection or application of any moneys or security provided for the payment of the Governmental Lender Obligations or the Funding Loan, or the existence, powers or operations of the Governmental Lender, or challenging the exclusion of interest on the Governmental Lender Obligations from gross income for Federal income tax purposes.

(e) The revenues and receipts to be derived from the Borrower Loan Documents and this Funding Loan Agreement have not been pledged previously by the Governmental Lender to secure any of its bonds, notes or other obligations (other than the Governmental Lender Obligations).

(f) THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE
BORROWER LOAN OR THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

(g) THE GOVERNMENTAL LENDER OBLIGATIONS SHALL BE A SPECIAL REVENUE OBLIGATIONS OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE PLEDGED REVENUES AND ASSETS PLEDGED THEREFOR PURSUANT TO THIS FUNDING LOAN AGREEMENT. THE GOVERNMENTAL LENDER OBLIGATIONS 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 GOVERNMENTAL LENDER OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OF THE GOVERNMENTAL LENDER OTHER THAN THOSE OF THE GOVERNMENTAL LENDER PLEDGED THEREFOR. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

(h) Nothing in this Funding Loan Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, other than the Governmental Lender, the Fiscal Agent, the Borrower and the Funding Lender, any right, remedy or claim under or by reason of this Funding Loan Agreement or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Governmental Lender, shall be for the sole and exclusive benefit of the Governmental Lender, the Fiscal Agent, the Borrower and the Funding Lender.

Section 8.2. Representations of the Funding Lender. The Funding Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Funding Lender has authority to execute this Funding Loan Agreement and any other instruments and documents required to be executed by the Funding Lender in connection therewith and herewith.

(b) The Funding Lender has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the Funding Loan and the Governmental Lender Obligations. The Funding Lender is able to bear the economic risks of such investment.

(c) The Funding Lender acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Funding Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Borrower, the Project, the use of proceeds of the Funding Loan and the Governmental Lender Obligations and the security therefor so that, as a reasonable investor, the Funding Lender has been able to make its decision to make the Funding Loan. The Funding Lender acknowledges that it has not relied upon the Governmental Lender for any information in connection with the making of the Funding Loan (except for the Governmental Lender's representations and warranties set forth in this Funding Loan Agreement) and that no offering document or other offering material has been prepared or will be prepared by or on behalf of the Governmental Lender in connection with the making of the Funding Loan.
(d) The Funding Lender is a bank, national bank, trust company, savings bank, savings and loan association, or a wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, (ii) is authorized to do business in the State, (iii) is itself purchasing the Governmental Lender Obligations for its own account and not with a view to the resale or distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interest in the Funding Loan and the Governmental Lender Obligations (other than to another transferee (a “Permitted Transferee”) that agrees to sign an investor letter to substantially the same effect as the Investor Letter in substantially the form attached hereto as EXHIBIT B and delivers such letter to the Trustee) and acknowledges that it has conducted its own review of the credit for the Funding Loan and the Governmental Lender Obligations and further promises to require such assurances from any Permitted Transferee and (vii) agrees to be bound by provisions of Section 2.4 of this Funding Loan Agreement.

(e) The Funding Lender acknowledges that the making of the Funding Loan and the issuance of the Governmental Lender Obligations to it is being made in reliance on its representations contained in this Section 8.2.

(f) The Funding Lender acknowledges that (a) the Governmental Lender Obligations are special revenue obligations of the Governmental Lender, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Governmental Lender Obligations are not a debt of 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 Governmental Lender Obligations be payable out of any funds other than those of the Governmental Lender pledged therefor, and (c) the Governmental Lender has no taxing power.

(g) The Funding Lender will provide the Governmental Lender with a draft of any offering document or other offering material to be prepared and provided to any Permitted Transferee of the Funding Loan and the Governmental Lender Obligations, and the Governmental Lender shall have the right to approve any description of the Governmental Lender, the Funding Loan and the Governmental Lender Obligations therein (which approval shall not be unreasonably withheld).

(h) The Funding Lender acknowledges that, upon the occurrence of a Mortgage Assignment Event, this Funding Loan Agreement and the Governmental Lender’s obligations under the Governmental Lender Obligations shall terminate.

(i) The Funding Lender acknowledges that any payment of principal, interest and premium, if any, that becomes due on the Funding Loan and the Governmental Lender Obligations from time to time shall be deemed paid for the purposes of this Funding Loan Agreement and the Governmental Lender Obligations, whether or not such payment was actually made.

(i) The Funding Lender understands that the Funding Loan and the Governmental Lender Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) are not
listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

(k) Neither the Governmental Lender nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Governmental Lender's, the Funding Lender's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms. The Funding Lender agrees to indemnify, hold harmless and defend the Governmental Lender against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Governmental Lender has consented to such settlement) and amounts paid to discharge judgments) to which the Governmental Lender may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to the Governmental Lender's, the Funding Lender's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

Section 8.3. No Encumbrance on Security. The Governmental Lender shall not knowingly create or knowingly permit the creation of any obligation that will be secured by a superior or, other than the Governmental Lender Obligations, an equal charge and lien on the Pledged Revenues and assets pledged hereunder, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.4. Repayment of Funding Loan. Subject to the provisions of Section 2.1(f) and Article III hereof, the Governmental Lender shall duly and punctually repay, or cause to be repaid, as herein provided, the principal, interest and premium, if any, due on the Funding Loan, as evidenced by the Governmental Lender Obligations, as and when the same shall become due, all in accordance with the terms of the Governmental Lender Obligations and this Funding Loan Agreement.

Section 8.5. Servicing. The Governmental Lender shall duly and properly service the Borrower Loan and enforce the payment and collection of all payments of principal and interest and Escrow Payments thereon or shall cause such servicing to be done by a servicer evidencing, in the judgment of the Governmental Lender, the capability and experience necessary to adequately service the Borrower Loan. The initial Servicer shall be Citibank, N.A. 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 depository (which may be such servicer) subject to and in accordance with the provisions of this Funding Loan Agreement;

2 such servicer shall at all times remain qualified to act as such pursuant to such standards as the Governmental Lender shall prescribe from time to time and shall determine to be reasonable to maintain the security for the Governmental Lender Obligations; and
(3) such servicer shall agree to maintain servicing facilities that are staffed with trained personnel to adequately service the Borrower Loan in accordance with standards normally employed by private institutional mortgage investors, as determined in the Governmental Lender's sole discretion, and shall provide regular reports to the Governmental Lender as to collections and delinquencies with respect to the Borrower Loan.

Section 8.6. Maintenance of Records; Inspection of Records.

(a) The Funding Lender shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all of its transactions relating to the Funding Loan and all funds and accounts established under this Funding Loan Agreement. The Funding Lender shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Funding Loan, subject to the inspection of the Governmental Lender and its representatives at all reasonable times and upon reasonable prior notice.

(b) The Governmental Lender shall at any and all times, upon the reasonable request of the Servicer, the Borrower or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books and records of the Governmental Lender relating to the Borrower Loan, the Project and the Funding Loan, and to make copies thereof. The Governmental Lender may authorize or permit the Fiscal Agent to keep such books and records on behalf of the Governmental Lender.

Section 8.7. Tax Covenants. The following covenants are made solely for the benefit of the Funding Lender:

(a) The Governmental Lender 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 Governmental Lender Obligations shall be excluded from gross income for Federal income tax purposes, except in the event that the holder of a Governmental Lender Obligation is a “substantial user” of the facilities financed by the Funding Loan or a “related person” within the meaning of the Code.

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

(c) The Governmental Lender shall not permit any person or “related person” (as defined in the Code) to purchase the Governmental Lender Obligations or bonds, notes or other obligations in an amount related to the Borrower Loan to be acquired by the Governmental Lender from such person or “related person”.

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ARTICLE IX

MORTGAGE ASSIGNMENT EVENT

Section 9.1. Mortgage Assignment Event. Each of the following events is hereby declared a “Mortgage Assignment Event” with respect to the Residential Loan and the Community Loan (i) collectively, during the [Construction Phase] (as defined in the Borrower Note), and (ii) individually, during the [Permanent Phase] (as defined in the Borrower Note):

(1) subject to the provisions of Section 9.2(a) below, the twelfth consecutive scheduled monthly payment date under the Borrower Note on which less than all of the amount due in respect of principal, interest and premium, if any, due on the Borrower Loan is actually paid, in full and on time, 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 (the unpaid portion of such amount due having been deemed paid pursuant to Section 2.1(f) hereof); or

(2) the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Funding Lender under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect; or

(3) the failure by the Funding Lender to honor its obligations set forth in this Article IX;

(4) the default by the Funding Lender in the performance or observance of the representations and covenants set forth in Section 8.2 hereof; or

(5) the purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to Section 9.2(b) hereof.

Section 9.2. Purchase of the Borrower Loan by the Funding Lender.

(a) Immediately upon the occurrence of a Mortgage Assignment Event, the Funding Lender shall purchase, or shall be deemed to have purchased, at the hereinafter defined Purchase Price, the Borrower Loan, the Borrower Note and the Borrower Mortgage; provided, however, that (I) the Governmental Lender may require the Funding Lender to purchase, or may deem the Funding Lender to have purchased, at the Purchase Price, the Borrower Loan, the Borrower Note and the Borrower Mortgage, at any time during the twelve-month period referred to in clause (1) of Section 9.1 above immediately upon the Funding Lender’s failure to deliver to the Governmental Lender, within five (5) Business Days after each scheduled monthly payment date under the Borrower Note, a Work-Out Certificate substantially in the form attached hereto as EXHIBIT D (a “Work-Out Certificate”), demonstrating that the Funding Lender is actively engaged in resolving the issues giving rise to the insufficient payments referred to in clause (1) of Section 9.1 above, and (II) if the Funding Lender has commenced foreclosure or deed-in-lieu of foreclosure proceedings with respect to the Project within the twelve-month period referred to in clause (1) of Section 9.1 above, the deadline referred to in clause (1) of Section 9.1 above may, with the prior written approval of the Governmental Lender delivered to the Fiscal Agent and the Funding Lender, be extended to such later date as the Governmental Lender may
reasonably determine upon request for an extension from the Funding Lender in the applicable Work-Out Certificate.

(b) Upon notice from the Funding Lender to the Governmental Lender and the Fiscal Agent that the Servicer has declared an event of default under the Borrower Note, the Borrower Mortgage and/or any other Borrower Loan Document, the Funding Lender shall have the absolute right, but not the obligation, to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage. Any purchase pursuant to this Section 9.2(b) shall be at the Purchase Price, subject to the terms and provisions of this Funding Loan Agreement, provided that the Funding Lender shall give the Governmental Lender and the Fiscal Agent not more than [30] days nor less than [10] days prior notice, substantially in the form attached hereto as EXHIBIT E, of the date when it intends to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to this Section 9.2(b). The Fiscal Agent shall notify the Funding Lender one (1) day prior to the Purchase Date of the amount of the Purchase Price.

(c) The purchase price (the "Purchase Price") of the Borrower Loan, the Borrower Note and the Borrower Mortgage shall be an amount equal to 100% of the principal amount of the Governmental Lender Obligations outstanding (excluding any amounts deemed paid in accordance with Section 2.1(f) hereof), plus accrued and unpaid interest thereon, if any, as of the date of purchase or deemed purchase (the "Date of Purchase") of the Borrower Loan, the Borrower Note and the Borrower Mortgage by the Funding Lender. The Purchase Price shall be computed by the Fiscal Agent in accordance herewith, and shall be deemed to be conclusive, absent manifest error. The Purchase Price shall be paid by the Funding Lender (in immediately available funds, if paid), or shall be deemed paid, to the Fiscal Agent on the Date of Purchase.

(d) The Funding Lender shall neither be obligated to purchase the Borrower Loan, the Borrower Note or the Borrower Mortgage, nor shall the Funding Lender be deemed to have purchased the Borrower Loan, the Borrower Note or the Borrower Mortgage, if the Borrower Note or the Borrower Mortgage has been modified, amended or supplemented in any material way without the prior written consent of the Funding Lender.


(f) Notwithstanding any notice from the Funding Lender to the Governmental Lender and the Fiscal Agent pursuant to paragraph (b) of this Section 9.2 to the effect that the Borrower Loan, the Borrower Note and the Borrower Mortgage will be purchased pursuant to the provisions of this Article IX, the Borrower may pay to the Servicer the amount of any non-payment under the Borrower Loan on any date prior to the Date of Purchase and such payment
will be deemed to cancel the purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage.

Section 9.3. Delivery of Borrower Loan Documents to the Funding Lender. Upon any purchase or deemed purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage, the Governmental Lender shall promptly deliver, or direct the delivery of, the following to the Funding Lender:

(1) the original Borrower Note, endorsed by the Governmental Lender without recourse to the Funding Lender;

(2) the original Borrower Mortgage or a certified copy thereof from the Office of the City Register, New York County and a separate assignment to the Funding Lender, executed by the Governmental Lender in recordable form, of the Borrower Mortgage and of all rights thereunder;

(3) a general assignment and instrument of transfer conveying all instruments, interests and rights that the Fiscal Agent or the Governmental Lender owns or holds in connection with the Borrower Note, the Borrower Mortgage and the other Borrower Loan Documents;

(4) the originals of all instruments, other than those provided to the Funding Lender on the Closing Date, made by the Governmental Lender and the Fiscal Agent or any of their respective successors or assigns in connection with the Borrower Loan including, but not limited to, acknowledgment copies of UCC-1 Financing Statements (the “UCC-1s”) executed in connection with the Borrower Loan;

(5) UCC-3 Financing Statements in form suitable for filing in the appropriate county and state government offices, which UCC-3 Financing Statements shall reflect the assignment of the UCC-1s to the Funding Lender;

(6) if requested by the Funding Lender, an endorsement to the policies of title insurance with respect to the Borrower Mortgage, insuring the Funding Lender as the owner and holder of the Borrower Mortgage as of the date of the assignment thereof referred to in item (2) above;

(7) any and all insurance proceeds, condemnation awards or other sums held by the Governmental Lender or the Fiscal Agent pursuant to or in connection with the Borrower Note or the Borrower Mortgage; and

(8) such modifications to the Borrower Loan Documents as may be reasonably required by the Funding Lender to evidence the assignment of the Borrower Loan to the Funding Lender separate and apart from the [HDC Subordinate Loan] (as defined in the Borrower Loan Agreement); provided, however, the failure to deliver such modifications shall not limit the effectiveness of the assignment of the Borrower Loan, the Borrower Note or the Borrower Mortgage contemplated hereby.
Any document to be assigned or delivered to the Funding Lender pursuant to this Paragraph 5 may instead be delivered to any wholly-owned subsidiary of the Funding Lender, provided that the Governmental Lender and the Fiscal Agent receive prior written direction to do so.

[NOTE: the Borrower Loan Agreement needs to include language to the following effect: The Borrower hereby agrees to execute the modifications referred to in Section 9.3(8) of the Funding Loan Agreement; provided, however, the failure to execute such modifications shall not limit the effectiveness of the assignment of the Borrower Loan, the Borrower Note or the Borrower Mortgage contemplated by Article IX of the Funding Loan Agreement. The Borrower hereby appoints the Funding Lender as its attorney-in-fact, coupled with an interest, to execute all such modifications on the Borrower’s behalf during the continuance of an event of default under the Borrower Loan Documents.]

ARTICLE X

AMENDMENTS

Section 10.1. Amendment of Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Lender Obligations may be amended or waived only by an instrument signed by the Funding Lender and the Governmental Lender. No such amendment shall change or modify any of the rights or obligations of the Fiscal Agent without its written consent thereto.

Section 10.2. Amendments Require Funding Lender Consent. The Governmental Lender shall not consent to any amendment, change or modification of a Borrower Loan Document or Funding Loan Document without the prior written consent of the Funding Lender.

Section 10.3. Consents and Opinions. Any amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall not become effective unless and until (i) the Funding Lender, the Governmental Lender and, if applicable, the Fiscal Agent shall have approved the same in writing and (ii) the Funding Lender and the Governmental Lender shall have received, at the expense of the Borrower, a Tax Counsel No Adverse Affect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE XI

THE FISCAL AGENT

Section 11.1. Appointment and Acceptance of Duties of Fiscal Agent. (a) [_________] is appointed as Fiscal Agent and, by its execution of this Funding Loan Agreement, signifies its acceptance of the duties and obligations of the Fiscal Agent hereunder.
(b) The Fiscal Agent 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 Fiscal Agent. The recitals of fact herein and in the Governmental Lender Obligations contained shall be taken as the statements of the Governmental Lender, and the Fiscal Agent does not assume any responsibility for the correctness or completeness of the same. The Fiscal Agent makes no representations as to the validity or sufficiency of this Funding Loan Agreement or of the Governmental Lender Obligations (except for its certificate of authentication thereon) or in respect of the security afforded by this Funding Loan Agreement, and the Fiscal Agent shall not incur any responsibility in respect thereof. The Fiscal Agent 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 Fiscal Agent shall be responsible for its representations contained in its certificate on the Governmental Lender Obligations. The Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent May Act. The Fiscal Agent shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper, document or instrument believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be of counsel to, and/or an employee of, the Governmental Lender, 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 Fiscal Agent 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 fund or account established hereunder, 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 Governmental Lender, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Funding Loan Agreement upon the faith thereof, but in its sole discretion the Fiscal Agent 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 Fiscal Agent nor any successor Fiscal Agent shall be liable to the Governmental Lender, the Funding Lender, or any other person for any act or omission done or omitted to be done by such Fiscal Agent in reliance upon any instruction, direction, certification or opinion received by the Fiscal Agent pursuant to this Funding Loan Agreement 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 Governmental Lender to the Fiscal Agent shall be sufficiently executed if executed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender.
Section 11.4. Compensation. The Governmental Lender shall pay or provide for the payment of reasonable compensation to the Fiscal Agent from time to time for all services rendered under this Funding Loan Agreement 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 Funding Loan Agreement and the Fiscal Agent shall have a lien therefor on any and all funds (except funds on deposit in or required to be deposited in the Rebate Fund) at any time held by it under this Funding Loan Agreement. The Governmental Lender further agrees to indemnify and save the Fiscal Agent 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 Fiscal Agent may become the owner of the Governmental Lender Obligations, with the same rights it would have if it were not the Fiscal Agent. The Fiscal Agent 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 the holder of the Governmental Lender Obligations or to effect or aid in any reorganization growing out of the enforcement of the Governmental Lender Obligations or this Funding Loan Agreement. The Fiscal Agent may be an underwriter in connection with the sale of any securities offered or issued by the Governmental Lender.

Section 11.6. Resignation of Fiscal Agent. A Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Funding Loan Agreement by giving not less than 60 days’ written notice to the Governmental Lender and mailing notice thereof specifying the date when such resignation shall take effect to the Funding Lender, 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 hereof, and such successor shall have accepted such appointment, in which event such resignation shall take effect immediately on the appointment of and acceptance by such successor; provided, however, no such resignation shall take effect until a successor Fiscal Agent has been appointed and such successor has accepted such appointment.

Section 11.7. Removal of Fiscal Agent. The Governmental Lender may remove the Fiscal Agent at any time for such cause as shall be determined in the sole discretion of the Governmental Lender by filing with the Fiscal Agent and the Funding Lender an instrument signed by an Authorized Officer of the Governmental Lender; provided, however, no such removal shall take effect until a successor Fiscal Agent has been appointed and such successor has accepted such appointment.

Section 11.8. Appointment of Successor Fiscal Agent. (a) In case at any time a Fiscal Agent 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 Fiscal Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of a Fiscal Agent, or of its property or affairs, the Governmental Lender covenants and agrees that it will thereupon appoint a successor Fiscal Agent. The Governmental Lender shall mail notice of any such appointment made by it to the Funding Lender.
(b) If in a proper case no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 11.8 within 45 days after the Fiscal Agent shall have given to the Governmental Lender written notice, as provided in Section 11.6 hereof, or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or the Funding Lender may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

(c) The Fiscal Agent and any Fiscal Agent appointed under the provisions of this Section 11.8 in succession to the Fiscal Agent shall be a trust company or commercial bank, which shall be a Federal depository institution or a state chartered depository institution, having the powers of a trust company within 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 Funding Loan Agreement.

Section 11.9. Transfer of Rights and Property to Successor Fiscal Agent. Any successor Fiscal Agent appointed under this Funding Loan Agreement shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the Governmental Lender, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiscal Agent, with like effect as if originally named as Fiscal Agent, but the Fiscal Agent ceasing to act shall nevertheless, on the request of the Governmental Lender, or of its successor Fiscal Agent, 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 Fiscal Agent all the right, title and interest of the predecessor Fiscal Agent in and to any property held by it under this Funding Loan Agreement, and shall pay over, assign and deliver to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Governmental Lender be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent 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 Governmental Lender. Upon the effectiveness of the resignation or removal of the Fiscal Agent, such Fiscal Agent's authority to act pursuant to this Funding Loan Agreement shall terminate and such Fiscal Agent shall have no further responsibility or liability whatsoever for performance of this Funding Loan Agreement as Fiscal Agent.

Section 11.10. Merger or Consolidation. Any company into which the Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent under Section 11.8 hereof and shall be authorized by law to perform all the duties imposed upon it by this Funding Loan Agreement, shall be the successor to the Fiscal Agent without the
execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 11.11. Adoption of Authentication. In case the Governmental Lender Obligations shall have been authenticated but not delivered, any successor Fiscal Agent may adopt the certificate of authentication of any predecessor Fiscal Agent so authenticating the Governmental Lender Obligations and deliver the Governmental Lender Obligations so authenticated, and in case the Governmental Lender Obligations shall not have been authenticated, any successor Fiscal Agent may authenticate the Governmental Lender Obligations in the name of the predecessor Fiscal Agent or in the name of the successor Fiscal Agent, and in all such cases such certificate shall have the full force which it is anywhere in the Governmental Lender Obligations or in this Funding Loan Agreement provided that the certificate of authentication of the Fiscal Agent shall have.

Section 11.12. Evidence of Signatures of Ownership of Governmental Lender Obligations. (a) Any request, consent or other instrument which this Funding Loan Agreement may require or permit to be signed and executed by the holder of the Governmental Lender Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such owner in person or by such owner’s 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 Governmental Lender Obligations shall be sufficient for any purpose of this Funding Loan Agreement (except as otherwise herein expressly provided) if made in the following manner, but the Fiscal Agent 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 such owner or such owner’s attorney of such instrument may be proved by a Certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or other member of the Financial Industry Regulatory Authority, Inc. satisfactory to the Fiscal Agent or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such officer purports to act, that the person signing such request or other instrument acknowledged to such officer 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 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 the Governmental Lender Obligations and date of holding the same shall be proved by the registry books.

(c) Any request, consent or vote of the owner of the Governmental Lender Obligations shall bind all future owners of the Governmental Lender Obligations in respect of anything done or suffered to be done by the Governmental Lender or any fiduciary in accordance therewith.

Section 11.13. Preservation and Inspection of Documents. All documents received by the Fiscal Agent under the provisions of this Funding Loan Agreement (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 Governmental Lender, the Servicer and the Funding Lender and their agents and their representatives, any of whom may make copies thereof.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Notices.

(a) All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Governmental Lender: New York City Housing Development Corporation
110 William Street
New York, New York 10038
Attention: President

with a copy to: New York City Housing Development Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

If to the Borrower: Harlem Dowling Alembic LLC
% Alembic Development Company, LLC
11 Hanover Square, Suite 701
New York, New York 10005
Attention: [__________]
Facsimile: [(212) 566-8806]

Hone for Harlem Dowling, Inc.
% The Children’s Village
1 Echo Hills
Dobbs Ferry, New York 10452
Attention: [__________]
Facsimile: [(914) 674-9208]

[Harlem Dowling Housing Development Fund Company, Inc.]
% The Children’s Village
1 Echo Hills
Dobbs Ferry, New York 10452
Attention: [__________]
Facsimile: [(914) 674-9208]
with a copy to: Goldstein Hall PLLC
80 Broad Street, Suite 303
New York, New York 10004
Attention: Matthew B. Hall, Esq.

If to the Community Space Borrower and/or the HDFC, to: Cannon Heyman & Weiss, LLP
54 State Street, 5th Floor
Albany, New York 12207
Attention: David C. Kuracina, Esq.

If to the Fiscal Agent: [__________]
with a copy to: [__________]

If to the Funding Lender: Citibank, N.A.
% Citi Community Capital
Transaction Management Group
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
RE: Harlem Dowling – Deal # 22799
Facsimile: (212) 723-8209

and

325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations
RE: Harlem Dowling – Deal # 22799
Facsimile: (805) 557 0924

and a copy of any notices of default sent to
Citigroup, Inc.
Citi Community Capital
Municipal Securities Division
388 Greenwich Street
New York, New York 10013
Attention: General Counsel’s Office
RE: Harlem Dowling – Deal # 22799
Facsimile: (212) 723-8939

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegram or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission,
shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party’s address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 12.2. Term of Funding Loan Agreement.

(a) Subject to the provisions of paragraph (b) of this Section 12.2, this Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Obligations, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

(b) Notwithstanding the provisions of paragraph (a) of this Section 12.2, this Funding Loan Agreement and the Governmental Lender’s obligations under the Governmental Lender Obligations shall terminate upon the occurrence of a Mortgage Assignment Event.

Section 12.3. Successors and Assigns. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Governmental Lender contained in this Funding Loan Agreement and in the Governmental Lender Obligations shall bind and inure to the benefit of its 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 Governmental Lender, 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 Funding Loan Agreement and in the Governmental Lender Obligations.

Section 12.4. Parties in Interest. Nothing in this Funding Loan Agreement and in the Governmental Lender Obligations expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Governmental Lender, the Fiscal Agent, the Borrower, the Funding Lender and the and the holder of the Governmental Lender Obligations, any right, remedy or claim under or by reason of this Funding Loan Agreement and in the Governmental Lender Obligations or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Governmental Lender, shall be for the sole and exclusive benefit of the Governmental Lender,
the Fiscal Agent, the Borrower, the Funding Lender and the and the holder of the Governmental Lender Obligations.

Section 12.5. Payments Due on Days Not Business Days. If the date for making any payment of principal, interest or premium, if any, due on the Funding Loan shall be a day other than a Business Day, then payment of such principal, interest or premium, if any, 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, except that no interest shall continue to accrue on any unpaid principal to such next succeeding Business Day.

Section 12.6. Governing Law. This Funding Loan Agreement shall be governed by and construed in accordance with the applicable laws of the State.

Section 12.7. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Obligations or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 12.8. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 12.9. Electronic Transactions. The transactions described in this Funding Loan Agreement may be conducted and related documents and may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12.10. Effective Date. This Funding Loan Agreement shall be effective and binding on the parties hereto on the Closing Date.
IN WITNESS WHEREOF, the Funding Lender, the Governmental Lender and the Fiscal Agent have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A.,
as Funding Lender

By: ____________________________
   Name:
   Title:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION,
as Governmental Lender

By: ____________________________
   Name:
   Title:

[ ]
as Fiscal Agent

By: ____________________________
   Name:
   Title:
EXHIBIT A

FORM OF GOVERNMENTAL LENDER OBLIGATION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
MULTI-FAMILY HOUSING REVENUE DEBT OBLIGATION
(HARLEM DOWLING – [RESIDENTIAL/COMMUNITY] SPACE)

MATURITY DATE: [_________]

HOLDER: Citibank, N.A.

PRINCIPAL AMOUNT: Aggregate amount of advances noted on the principal draw-down schedule attached hereto and acknowledged thereon by the Fiscal Agent.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (herein sometimes called the “Governmental Lender”), 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 HOLDER (as set forth above) on the MATURITY DATE (unless paid prior thereto), the PRINCIPAL AMOUNT specified above, together with interest thereon at the rate, at the times and in the amounts hereinafter provided. All capitalized terms used but not defined herein shall have the meanings ascribed to them in that certain Funding Loan Agreement, dated as of [June __, 2014] (the “Funding Loan Agreement”), among the Governmental Lender, Citibank, N.A., (the “Funding Lender”) and [_________], as the Fiscal Agent named therein (the “Fiscal Agent”).

This Governmental Lender Obligation relates to construction and permanent loans (collectively, the “[Residential/Community] Loan”) made by the Governmental Lender from proceeds of the Funding Loan to Harlem Dowling Alembic LLC, a New York limited liability company, Home for Harlem Dowling, Inc., a New York not-for-profit corporation, and Harlem Dowling Housing Development Fund Company, Inc., a New York not-for-profit corporation, as borrowers (collectively, the “Borrower”), under one or more multifamily mortgage notes, each dated [June __, 2014] (collectively, the “[Residential/Community] Note”), and secured by a lien on and security interest in the Project pursuant to one or more multifamily mortgages, each dated as of [June __, 2014] (collectively, as the same may be modified, amended or supplemented from time to time, the “[Residential/Community] Mortgage”). Reference is made to the [Residential/Community] Note and to the [Residential/Community] Mortgage for complete payment and prepayment terms of the [Residential/Community] Note, payments on which are passed-through under this Governmental Lender Obligation (subject to the provisions of the Funding Loan Agreement with respect to such prepayments).

The payment or prepayment of principal, interest and premium, if any, due on this Governmental Lender Obligation, shall be identical with and shall be made on the same dates, in the same amounts (less the Administrative Fee) and on the same terms and conditions, as the payment of principal, interest, premium, if any, fees and other amounts due on the
IN WITNESS WHEREOF, the Funding Lender, the Governmental Lender and the Fiscal Agent have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A.,
as Funding Lender

By: __________________________
   Name:
   Title:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION,
as Governmental Lender

By: __________________________
   Name:
   Title:

[_________],
as Fiscal Agent

By: __________________________
   Name:
   Title:

Signature page to Funding Loan Agreement
EXHIBIT A

FORM OF GOVERNMENTAL LENDER OBLIGATION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION: MULTIFAMILY HOUSING REVENUE DEBT OBLIGATION (HARLEM DOWLING – [RESIDENTIAL/COMMUNITY] SPACE)

MATURITY DATE: [__________]

HOLDER: Citibank, N.A.

PRINCIPAL AMOUNT: Aggregate amount of advances noted on the principal draw-down schedule attached hereto and acknowledged thereon by the Fiscal Agent.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (herein sometimes called the “Governmental Lender”), 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 HOLDER (as set forth above) on the MATURITY DATE (unless paid prior thereto), the PRINCIPAL AMOUNT specified above, together with interest thereon at the rate, at the times and in the amounts hereinafter provided. All capitalized terms used but not defined herein shall have the meanings ascribed to them in that certain Funding Loan Agreement, dated as of [June __, 2014] (the “Funding Loan Agreement”), among the Governmental Lender, Citibank, N.A., (the “Funding Lender”) and [__________], as the Fiscal Agent named therein (the “Fiscal Agent”).

This Governmental Lender Obligation relates to construction and permanent loans (collectively, the “[Residential/Community] Loan”) made by the Governmental Lender from proceeds of the Funding Loan to Harlem Dowling Alembic LLC, a New York limited liability company, Home for Harlem Dowling, Inc., a New York not-for-profit corporation, and Harlem Dowling Housing Development Fund Company, Inc., a New York not-for-profit corporation, as borrowers (collectively, the “Borrower”), under one or more multifamily mortgage notes, each dated [June __, 2014] (collectively, the “[Residential/Community] Note”), and secured by a lien on and security interest in the Project pursuant to one or more multifamily mortgages, each dated as of [June __, 2014] (collectively, as the same may be modified, amended or supplemented from time to time, the “[Residential/Community] Mortgage”). Reference is made to the [Residential/Community] Note and to the [Residential/Community] Mortgage for complete payment and prepayment terms of the [Residential/Community] Note, payments on which are passed-through under this Governmental Lender Obligation (subject to the provisions of the Funding Loan Agreement with respect to such prepayments).

The payment or prepayment of principal, interest and premium, if any, due on this Governmental Lender Obligation, shall be identical with and shall be made on the same dates, in the same amounts (less the Administrative Fee) and on the same terms and conditions, as the payment of principal, interest, premium, if any, fees and other amounts due on the

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[Residential/Community] Loan as set forth in the [Residential/Community] Note, all as subject to and as provided in the Funding Loan Agreement. Notwithstanding the foregoing, any payment of principal, interest and premium, if any, that becomes due on this Governmental Lender Obligation from time to time shall be deemed paid for the purposes of this Governmental Lender Obligation, whether or not such payment was actually made. [May be revised based on the payment timing provisions in the notes.]

Principal, interest and premium, if any, due on this Governmental Lender Obligation 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.

The principal amount of the [Residential/Community] Loan is funded on a draw-down basis. The principal amount of this Government Lender Obligation as of any given date shall be equal to the total amount of principal advanced by the Funding Lender, less any payments of principal of this Governmental Lender Obligation previously received by the Fiscal Agent upon payment of corresponding principal amounts under the Borrower Note (including any amounts deemed paid in accordance with the Funding Loan Agreement). Principal amounts of the Funding Loan advanced by the Funding Lender shall be noted on the principal draw-down schedule attached to this Governmental Lender Obligation and acknowledged thereon by the Fiscal Agent.

THIS GOVERNMENTAL LENDER OBLIGATION SHALL BE A SPECIAL REVENUE OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE PLEDGED REVENUES AND ASSETS PLEDGED THEREFOR PURSUANT TO THE FUNDING LOAN AGREEMENT. THIS GOVERNMENTAL LENDER OBLIGATION 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 THIS GOVERNMENTAL LENDER OBLIGATION BE PAYABLE OUT OF ANY FUNDS OF THE GOVERNMENTAL LENDER OTHER THAN THOSE OF THE GOVERNMENTAL LENDER PLEDGED THEREFOR. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

NO RECOUPMENT SHALL BE HAD FOR THE PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM, IF ANY, ON THIS GOVERNMENTAL LENDER OBLIGATION OR FOR ANY CLAIM BASED THEREON OR ON THE FUNDING LOAN AGREEMENT AGAINST ANY MEMBER, OFFICER OR EMPLOYEE OF THE GOVERNMENTAL LENDER OR ANY NATURAL PERSON EXECUTING THE FUNDING LOAN AGREEMENT OR THIS GOVERNMENTAL LENDER OBLIGATION.

All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Lender Obligation. All reference to the Funding Loan Agreement and any modifications, amendments or supplements thereof and to the Act is made for a description of the pledges and covenants securing this Governmental Lender Obligation, the nature, extent and manner of enforcement of such pledges and the rights and remedies of the holder of this Governmental Lender Obligation with respect thereto.

This Governmental Lender Obligation is transferable only as provided in the Funding Loan Agreement.

Neither the members of the Governmental Lender nor any other person executing this Governmental Lender Obligation shall be subject to any personal liability or accountability by reason of the issuance thereof.

This Governmental Lender Obligation shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Funding Loan Agreement until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.
IN WITNESS WHEREOF, the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION has caused this Governmental Lender Obligation 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 __________.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

(SEAL)

By: __________________________
    Authorized Officer

Attest:

By: __________________________
    Secretary or Assistant Secretary

FISCAL AGENT’S CERTIFICATE OF AUTHENTICATION

This Governmental Lender Obligation is the Governmental Lender Obligation described in the within mentioned Funding Loan Agreement.

Date of Authentication: [__________]

[__________],
    as Fiscal Agent

By: __________________________
    Authorized Officer
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 Governmental Lender Obligation, and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________ attorney to transfer the within Governmental Lender Obligation 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 Governmental Lender Obligation in every particular, without alteration or enlargement or any change whatsoever.
PRINCIPAL DRAW-DOWN SCHEDULE

The ownership of the unpaid principal balance of this Governmental Lender Obligation and the interest accruing thereon is registered on the books of the Fiscal Agent in the name of the Holder last noted below.

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<th>Holder</th>
<th>Date of Advance</th>
<th>Amount of Advance</th>
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A-6
EXHIBIT B

FORM OF INVESTOR LETTER

New York City Housing
Development Corporation
110 William Street
New York, New York 10038

Re: New York City Housing Development Corporation
Multi-Family Housing Revenue Debt Obligation
(Harlem Dowling – Residential Space) and
Multi-Family Housing Revenue Debt Obligation
(Harlem Dowling – Community Space)
(collectively, the “Governmental Lender Obligations”)

The undersigned, on behalf of [__________] (the “Purchaser”) of the above-referenced Governmental Lender Obligations, hereby represents that:

1. The Purchaser has authority to purchase the Governmental Lender Obligations and execute this Investor Letter and any other instruments and documents required to be executed by the Purchaser in connection therewith and herewith. The undersigned is a duly appointed, qualified and acting officer of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this Investor Letter on behalf of the Purchaser.

2. The Purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the Governmental Lender Obligations. The Purchaser is able to bear the economic risks of such investment.

3. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Borrower, the Project, the use of proceeds of the Funding Loan and the Governmental Lender Obligations and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Governmental Lender Obligations. The Purchaser acknowledges that it has not relied upon the Governmental Lender for any information in connection with the Purchaser’s purchase of the Governmental Lender Obligations and that no offering document or other offering material has been prepared or will be prepared by or on behalf of the Governmental Lender in connection with the Purchaser’s purchase of the Governmental Lender Obligations.

4. The Purchaser is a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the
Securities Act, (ii) is authorized to do business in the State, (iii) is approved in writing by the Governmental Lender, (iv) assumes the obligations of the Purchaser under Article IX of the Funding Loan Agreement, (v) is itself purchasing the Governmental Lender Obligations for its own account and not with a view to the resale or distribution thereof and acknowledges that it has conducted its own review of the credit for the Funding Loan and the Governmental Lender Obligations and further promises to require such assurances from any succeeding purchaser, and (vi) agrees to be bound by the provisions of Section 2.4 of the Funding Loan Agreement.

5. The Purchaser acknowledges that the sale of the Governmental Lender Obligations to it is being made in reliance on its representations contained in this Investor Letter.

6. The Purchaser acknowledges that (a) the Governmental Lender Obligations are special revenue obligations of the Governmental Lender, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Governmental Lender Obligations are not a debt of 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 Governmental Lender Obligations be payable out of any funds other than those of the Governmental Lender pledged therefor, and (c) the Governmental Lender has no taxing power.

7. The Purchaser will provide the Governmental Lender with a draft of any offering document or other offering material to be prepared and provided to any permitted transferee of the Governmental Lender Obligations, and the Governmental Lender shall have the right to approve any description of the Governmental Lender, the Funding Loan and the Governmental Lender Obligations therein (which approval shall not be unreasonably withheld).

8. The Purchaser acknowledges that, upon the occurrence of a Mortgage Assignment Event, the Funding Loan Agreement and the Governmental Lender’s obligations under the Governmental Lender Obligations shall terminate.

9. The Purchaser acknowledges that any payment of principal, interest and premium, if any, that becomes due on the Governmental Lender Obligations from time to time shall be deemed paid for the purposes of the Governmental Lender Obligations, whether or not such payment was actually made.

10. The Purchaser understands that the Funding Loan and the Governmental Lender Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) are not listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

11. Neither the Governmental Lender nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Governmental Lender’s, the Purchaser’s or the Borrower’s inability to rely on the Tax Counsel Approving Opinion in accordance with its terms. The Purchaser agrees to indemnify, hold harmless and defend the Governmental Lender against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement (to the extent that the Governmental Lender has consented to such settlement) and amounts paid to discharge
judgments) to which the Governmental Lender may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to the Governmental Lender's, the Purchaser's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement, dated as of [June __, 2014], among the Governmental Lender, the Funding Lender and [__________], as the Fiscal Agent named therein.

IN WITNESS WHEREOF, [_________] has caused this Investor Letter to be executed by the undersigned authorized officer this ___ day of __________.

[______________],
as Purchaser

By __________________________
   Name:
   Title:
EXHIBIT C

FORM OF PARTICIPANT LETTER

New York City Housing
Development Corporation
110 William Street
New York, New York 10038

Re: New York City Housing Development Corporation
    Multi-Family Housing Revenue Debt Obligations
    (Harlem Dowling) (the “Governmental Lender Obligations”)

The undersigned, on behalf of [__________] (the “Participant”), with respect to the
above-referenced Governmental Lender Obligations, hereby represents that:

1. The Participant has authority to purchase a participation interest in the
   Governmental Lender Obligations (the “Participation”) and to execute this Participant Letter and
   any other instruments and documents required to be executed by the Participant in connection
   with the purchase of the Participation. The undersigned is a duly appointed, qualified and acting
   officer of the Participant and is authorized to cause the Participant to make the certifications,
   representations and warranties contained herein by execution of this Participant Letter on behalf
   of the Participant.

2. The Participant has sufficient knowledge and experience in financial and business
   matters to be able to evaluate the risk and merits of the investment represented by the
   Participation. The Participant is able to bear the economic risks of such investment.

3. The Participant acknowledges that it has either been supplied with or been given
   access to information, including financial statements and other financial information, to which a
   reasonable investor would attach significance in making investment decisions, and the
   Participant has had the opportunity to ask questions and receive answers from knowledgeable
   individuals concerning the Governmental Lender, the Funding Lender, the Borrower, the Project,
   the use of proceeds of the Funding Loan and the Governmental Lender Obligations and the
   security therefor so that, as a reasonable investor, the Participant has been able to make its
   decision to purchase the Participation. The Participant acknowledges that it has not relied upon
   the Governmental Lender for any information in connection with the Participant’s purchase of
   the Participation and that no offering document or other offering material has been prepared or
   will be prepared by or on behalf of the Governmental Lender in connection with the Participant’s
   purchase of the Participation.

4. The Participant is a bank, national bank, trust company, savings bank, savings and
   loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-
   c(3) of the Act, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the
   Securities Act and (ii) is authorized to do business in the State.

5. The Participant acknowledges that the sale of the Participation to it is being made
   in reliance on its representations contained in this Participant Letter.

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6. The Participant acknowledges that (a) the Governmental Lender Obligations are special revenue obligations of the Governmental Lender, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Governmental Lender Obligations are not a debt of 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 Governmental Lender Obligations be payable out of any funds other than those of the Governmental Lender pledged therefor, and (c) the Governmental Lender has no taxing power.

7. The Participant acknowledges that the Participation is for both (a) a principal amount of the Governmental Lender Obligations of at least one million dollars ($1,000,000) and (b) a corresponding portion of the Funding Lender’s obligations under Article IX of the Funding Loan Agreement.

8. The Participant acknowledges that, upon the occurrence of a Mortgage Assignment Event, the Funding Loan Agreement and the Governmental Lender’s obligations under the Governmental Lender Obligations shall terminate.

9. The Participant acknowledges that the principal, interest and premium, if any, that becomes due on the Funding Loan from time to time shall be deemed paid for the purposes of the Funding Loan Agreement and the Governmental Lender Obligations, whether or not such payment was actually made, as described in the Funding Loan Agreement.

10. The Participant understands that the Funding Loan and the Governmental Lender Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) are not listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement, dated as of [June __, 2014], among the Governmental Lender, the Funding Lender and [__________], as the Fiscal Agent named therein.

IN WITNESS WHEREOF, _________ has caused this Participant Letter to be executed by the undersigned authorized officer this ____ day of ________

[__________],
as Participant

By

Name:
Title:

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EXHIBIT D
FORM OF WORK-OUT CERTIFICATE

TO: NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
110 William Street, 10th Floor
New York, New York 10038

PROJECT: Harlem Dowling
2135 Adam Clayton Powell, Jr. Boulevard
New York, New York
Block 1911, Lots 61 and 62

On behalf of Citibank, N.A. (the “Funding Lender”), the undersigned, a duly authorized officer of the Funding Lender, hereby certifies that, pursuant to Section 9.2(a) of the Funding Loan Agreement, dated as of [June __, 2014] (the “Funding Loan Agreement”), among you, the Funding Lender and [__________], as the Fiscal Agent named therein, EITHER:

1. the Funding Lender is actively engaged in resolving the issues giving rise to the insufficient payment referred to in clause (1) of Section 9.1 of the Funding Loan Agreement, as well as cooperating with the Governmental Lender in connection with the resolution of any default(s) continuing under the Regulatory Agreement; OR

2. on [date], the Funding Lender commenced foreclosure proceedings and requests that the Governmental Lender extend by one (1) calendar month the period referred to in clause (1) of Section 9.1 of the Funding Loan Agreement; OR

3. as of [date], the Funding Lender is engaged in good faith negotiations to accept a deed in lieu of foreclosure and requests that the Governmental Lender extend by one (1) calendar month the period referred to in clause (1) of Section 9.1 of the Funding Loan Agreement.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement

CITIBANK, N.A.,
as Funding Lender

By: ____________________________
   Name:
   Title:

Date:

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EXHIBIT E

FORM OF MORTGAGE ASSIGNMENT CERTIFICATE

TO: NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
110 William Street, 10th Floor
New York, New York 10038

[___FISCAL AGENT___]

PROJECT: Harlem Dowling
2135 Adam Clayton Powell, Jr. Boulevard
New York, New York
Block 1911, Lots 61 and 62

On behalf of Citibank, N.A. (the “Funding Lender”), the undersigned, a duly authorized officer of the Funding Lender, hereby notifies you, pursuant to Section 9.2(b) of the Funding Loan Agreement, dated as of [June __, 2014] (the “Funding Loan Agreement”), among you and the Funding Lender, that the Servicer has declared an event of default under the Borrower Note, the Borrower Mortgage and/or any other Borrower Loan Document and the Funding Lender is hereby exercising its right to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage. The Funding Lender intends to so purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage on [__________], which date is not more than [30] days nor less than [10] days following the date of this notice.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement

CITIBANK, N.A.,
as Funding Lender

By: __________________________
    Name:
    Title:

Date:

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EXHIBIT F
FORM OF LETTER OF REPRESENTATION AND INDEMNITY AGREEMENT

[June __, 2014]

New York City Housing
Development Corporation
110 William Street, 10th Floor
New York, New York 10038

Citibank, N.A.
390 Greenwich Street
New York, New York 10013

Re: New York City Housing Development Corporation
    Multi-Family Housing Revenue Debt Obligations
    (Harlem Dowling) (the “Governmental Lender Obligations”)

Ladies and Gentlemen:

We have delivered this letter to you today in connection with your execution of a
Funding Loan Agreement, dated [June __, 2014] (the “Agreement”), and the issuance by the
Governmental Lender of the above-referenced Governmental Lender Obligations evidencing its
obligation under the Agreement to make the payments due on the Funding Loan, the proceeds of
which will be used by the Governmental Lender for the purpose of providing funds to finance the
Borrower Loan for the acquisition, construction and equipping of the Project.

Unless otherwise defined in this letter, capitalized terms used herein which are
defined in the Agreement shall have the respective meanings therein specified.

In order to induce you to enter into the Agreement and the Governmental Lender
to issue the Governmental Lender Obligations, the undersigned, Harlem Dowling Alembic LLC,
a New York limited liability company (the “Residential Space Borrower”), Home for Harlem
Dowling, Inc., a New York not-for-profit corporation (the “Community Space Borrower” and,
together with the Residential Space Borrower, the “Borrower”), and Harlem Dowling Housing
Development Fund Company, Inc., a New York not-for-profit corporation (the “HDFC”), hereby
represents, warrants and covenants to each of you at the date hereof, that:

(a) The Residential Space Borrower is duly organized, validly existing and in
good standing as a limited liability company in the State of New York; the Community Space
Borrower is duly organized, validly existing and in good standing as a not-for-profit corporation
in the State of New York; the HDFC is duly organized, validly existing and in good standing as a
not-for-profit corporation in the State of New York; the Borrower has the power and authority to
own properties and to carry on its business as now contemplated to be conducted; and the
Borrower has full legal right, power and authority to enter into each of the Funding Loan
Documents to which it is a party and this Letter of Representation and Indemnity Agreement
(such Funding Loan Documents, together with this Letter of Representation and Indemnity
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Agreement, being referred to herein collectively as the “Borrower’s Documents”) and to consummate the transactions contemplated by the Borrower’s Documents;

(b) As of the date hereof, the Borrower has duly authorized and approved the execution and delivery of, and the performance by the Borrower of its obligations contained in, this Letter of Representation and Indemnity Agreement and each of the other Borrower’s Documents and the consummation by the Borrower of the transactions contemplated thereby;

(c) Neither the Borrower nor its members is in breach of or in default under, or has received any notice of a breach of or default under, any law, administrative regulation or ordinance applicable to it, or any applicable judgment or decree of any court having jurisdiction, and, upon the issuance of the Governmental Lender Obligations, neither the Borrower nor its members will be in breach of or in default under any loan agreement, note, bond, resolution, certificate or other agreement or instrument to which it is a party or is otherwise subject; except where such breach or default shall not have, either alone or in the aggregate, a material adverse effect on (i) the business, operations, properties or condition (financial or other) of the Borrower or its members or (ii) the Borrower’s ability to perform its obligations under the Borrower’s Documents; and the execution and delivery by the Borrower of the Borrower’s Documents and the performance by the Borrower of its obligations thereunder will not conflict with or constitute a breach of or default under any law or administrative regulation or any applicable judgment or decree of any court having jurisdiction, or any provision of any organizational document, loan agreement, note, bond, resolution, ordinance, certificate or other agreement or instrument to which the Borrower or its members is a party or otherwise subject;

(d) Except as set forth in the Borrower’s Documents, there are no approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Borrower of its obligations under the Borrower’s Documents;

(e) Each of the Borrower’s Documents, when executed and delivered by the Borrower and the other respective parties thereto, will constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors’ rights generally or by general principles of equity;

(f) No litigation of any nature is pending or, to the knowledge of the Borrower or its members, threatened against and in any way adversely affecting the existence of the Borrower or its members, involving the Project in any material respect, or seeking to restrain or enjoin the issuance, execution or delivery of the Governmental Lender Obligations, or the financing of the Funding Loan or the Borrower Loan, or the acquisition, construction or equipping of the Project, or in any way contesting or affecting the validity or enforceability of the Governmental Lender Obligations or the Borrower’s Documents, or any proceedings of the Borrower taken with respect to the execution or delivery thereof, or the application of any moneys or security provided for the payment of the Governmental Lender Obligations, or contesting the existence, powers or authority of the Borrower with respect to the Borrower’s Documents or, to the knowledge of the Borrower or its members, without independent inquiry,
challenging the exclusion of interest on the Governmental Lender Obligations from gross income for federal income tax purposes; and

(g) The Borrower will not take or omit to take any action which action or omission will in any way cause the interest on the Governmental Lender Obligations to be included in gross income for federal income tax purposes.

Neither the Governmental Lender nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Governmental Lender’s, the Funding Lender’s or the Borrower’s inability to rely on the Tax Counsel Approving Opinion in accordance with its terms. The Borrower agrees to indemnify, hold harmless and defend the Governmental Lender against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement (to the extent that the Governmental Lender has consented to such settlement) and amounts paid to discharge judgments) to which the Governmental Lender may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to the Governmental Lender’s, the Funding Lender’s or the Borrower’s inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

To the extent it may legally do so, the Residential Space Borrower and the Community Space Borrower (each an “Indemnitee” and, collectively, the “Indemnitees”) jointly and severally, absolutely and unconditionally, agrees to indemnify and hold harmless the Governmental Lender, the Funding Lender and each person, if any, who controls the Funding Lender and each of the respective officers, members, partners and employees and agents of each of the foregoing (collectively, the “Indemnified Parties”) against any and all losses, claims, damages and liabilities arising out of (a) any breach by any Indemnitee of the representations and warranties contained in this Letter of Representation and Indemnity Agreement, (b) any action or failure to take action on the part of the Borrower or within control of the Borrower (unless such action or failure to take action is at the direction of the Governmental Lender) with respect to the proceeds of the Funding Loan, the Governmental Lender Obligations or the Project which adversely affects the exclusion from gross income of interest on the Governmental Lender Obligations under Section 103(a) of the Internal Revenue Code of 1986, as amended, (c) any action or failure to take action on the part of the Borrower or within control of the Borrower (unless such action or failure to take action is at the direction of the Governmental Lender) which adversely affects the validity of the Governmental Lender Obligations, or (d) any action or failure to take action on the part of the Borrower or within control of the Borrower (unless such action or failure to take action is at the direction of the Governmental Lender) which prevents any Indemnified Party from relying on the Tax Counsel Approving Opinion in accordance with its terms.

In case any claims shall be made or action brought against any Indemnified Party based upon the aforesaid, in respect of which indemnity may be sought against any Indemnitee or Indemnitors, such Indemnified Party shall promptly notify such Indemnitee, in writing, setting forth the particulars of such claim or action, and such Indemnitee shall assume the defense thereof including the employment of counsel (who shall be reasonably satisfactory to the
Indemnified Party). Any Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but such Indemnitor shall not be required to pay the fees and expenses of such separate counsel unless the counsel is employed with the written approval and consent of such Indemnitor; provided however, if single counsel, who is representing an Indemnified Party and an Indemnitor hereunder, shall have concluded in good faith that a conflict of interest exists between or among any one or more of such parties and such Indemnitor, such parties shall have the right to retain separate counsel and to participate in the defense of any such action on its own behalf, and all costs and expenses incurred by each such party shall be borne by such Indemnitor; and further provided, if such single counsel shall have concluded in good faith that a conflict of interest exists between or among any two or more of the Indemnified Parties, each such party, with respect to which such a conflict exists, shall have the right to retain separate counsel and to participate in the defense of any such action on its own behalf, and all costs and expenses incurred by each such party shall be borne by such Indemnitor; provided that any such parties who do not have a conflict with each other shall be represented by the same counsel. If separate counsel are employed as described above, such Indemnitor and any such party agree to cooperate as may reasonably be required in order to ensure the proper and adequate defense of any such action, suit or proceeding, including, but not limited to, making available to each other, and their counsel and accountants, all books and records relating to such action, suit or proceeding, but if any such counsel reasonably determines that the rendering of such assistance will adversely affect the defense of its client, such counsel shall not be required to comply with the terms of this sentence. Notwithstanding the foregoing, each counsel selected by any Indemnified Party due to the existence of a conflict of interest as provided above shall be permitted to participate in the defense of such action provided that counsel selected by such Indemnitor shall be lead counsel ("Lead Counsel") with respect to such defense and shall (except to the extent of a conflict of interest) control such defense. It is the intent of the Indemnified Parties and each Indemnitor that any separate counsel representing any Indemnified Party use its reasonable efforts to avoid duplication of legal work undertaken by Lead Counsel to reduce fees and costs which may be due hereunder. The Indemnified Parties shall approve the terms of any settlement which affects the Indemnified Parties, except that such Indemnitor shall have the sole right to approve the amount of any financial settlement. Each Indemnitor agrees that it shall not (i) settle any claims wherein the settlement of such claims would contain an admission of fault, guilt or wrongdoing on the part of any Indemnified Party, without the prior written consent of such Indemnified Party, or (ii) except in the case of a settlement, refrain from the appeal of any decision which is adverse to any Indemnified Party, without the consent of such Indemnified Party.

If the indemnification provided for in this Letter of Representation and Indemnity Agreement is unavailable or insufficient to hold harmless an Indemnified Party under the second preceding paragraph, then the Indemnitors, jointly and severally, shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the second preceding paragraph (i) in such proportion as is appropriate to reflect the relative benefits received by the Indemnitors, jointly and severally, on the one hand and the Funding Lender and/or the Governmental Lender, as the case may be, on the other from the issuance of the Governmental Lender Obligations or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnitors, jointly and severally, on the one hand and the Funding Lender and/or the Governmental Lender,
as the case may be, on the other which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Indemnitors on the one hand and the Funding Lender and/or the Governmental Lender, as the case may be, on the other shall be deemed to be in the same proportion as the total gross proceeds from the Borrower Loan (the benefit deemed received by the Indemnitors) bear to $[_________] (the benefit deemed received by the Funding Lender and/or the Governmental Lender, as the case may be). The amount paid by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this paragraph shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject of this paragraph. Notwithstanding the provisions of this paragraph, the Funding Lender and/or the Governmental Lender, as the case may be, shall not be required to contribute any amount in excess of $[_________]. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party under this paragraph, notify such party from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have hereunder or otherwise than under this paragraph. Nothing in this paragraph shall create an implication that the Indemnitors’ liability provided for in this paragraph shall be any greater than that provided for in the second preceding paragraph, assuming the provisions described in such paragraph were held to be enforceable.

This Letter of Representation and Indemnity Agreement is made solely for the benefit of the signatories hereeto (including the successors or assigns of the Funding Lender and the Governmental Lender) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Letter of Representation and Indemnity Agreement shall survive the delivery of the Governmental Lender Obligations.
Kindly confirm your acceptance of this Letter of Representation and Indemnity Agreement by signing and returning to the undersigned a duplicate hereof.

Very truly yours,

HARLEM DOWLING ALEMBIC LLC

By: ____________________________
   Name: _________________________
   Title: __________________________

HOME FOR HARLEM DOWLING, INC.

By: ____________________________
   Name: _________________________
   Title: __________________________

Accepted and confirmed as of the date first above written.

CITIBANK, N.A.

By: ____________________________
   Name: _________________________
   Title: __________________________

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: ____________________________
   Name: _________________________
   Title: __________________________
EXHIBIT G

EXECUTED COPY OF RESIDENTIAL NOTE
EXHIBIT H

EXECUTED COPY OF COMMUNITY NOTE