MASTER TRUST INDENTURE

by and between

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

and

______, AS TRUSTEE

Dated as of __ 1, 2013

CAPITAL FUND GRANT PROGRAM REVENUE BONDS

(NEW YORK CITY HOUSING AUTHORITY PROGRAM)
TABLE OF CONTENTS

Master Trust Indenture

ARTICLE I
Definitions

Section 1.1. Definitions ........................................................................................................3
Section 1.2. Interpretation ..................................................................................................18

ARTICLE II
Terms of Senior Obligations

Section 2.1. Authorization for Indenture and Senior Obligations ..................................19
Section 2.2. Limited Obligation of Corporation ...............................................................20
Section 2.3. Authorization of Bonds ..................................................................................20
Section 2.4. Issuance and Delivery of Bonds ..................................................................20
Section 2.5. Conditions Precedent to Delivery of Bonds .................................................21
Section 2.6. Conditions Precedent to Delivery of Refunding Bonds ................................22
Section 2.7. Alternative Issuers .......................................................................................22

ARTICLE III
General Terms and Provisions of Bonds

Section 3.1. Place, Medium of Payment, Denomination, Maturities, Credit or Debt
Service Reserve Facilities, Form and Date ......................................................................24
Section 3.2. Legends ........................................................................................................25
Section 3.3. Interchangeability of Bonds .......................................................................25
Section 3.4. Negotiability, Transfer and Registry ............................................................25
Section 3.5. Transfer of Bonds ........................................................................................25
Section 3.6. Regulations With Respect to Exchanges and Transfers ..............................26
Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost ...............................................26
Section 3.8. Preparation of Definitive Bonds; Temporary Bonds ..................................26
Section 3.9. Cancellation and Destruction of Bonds ........................................................27
Section 3.10. Execution and Authentication ...................................................................27
Section 3.11. Securities Depository Provisions ...............................................................28
ARTICLE IV
Application of Bond Proceeds and Other Amounts

Section 4.1. Application of Bond Proceeds, Accrued Interest and Premium ...........................................29
Section 4.2. Application of Proceeds of Refunding Bonds ...............................................................29
Section 4.3. Application of Amounts Pledged as Security for Bonds Defeased .....................................30

ARTICLE V
Pledge of Revenues; Establishment of Funds and Accounts and Application Thereof

Section 5.1. The Pledge Effected by This Indenture ............................................................................30
Section 5.2. Establishment of Accounts ..............................................................................................30
Section 5.3. Loan Fund .........................................................................................................................31
Section 5.4. Revenue Fund ....................................................................................................................32
Section 5.5. Debt Service Fund ............................................................................................................33
Section 5.6. Costs of Issuance Fund ......................................................................................................34
Section 5.7. Subordinate Obligation Debt Service Fund .................................................................34
Section 5.8. Debt Service Reserve Fund ..............................................................................................34
Section 5.9. Deposits .............................................................................................................................35
Section 5.10. Investment of Certain Funds ..........................................................................................35
Section 5.11. Valuation and Sale of Investments ..................................................................................36
Section 5.12. Temporary Funds ............................................................................................................37
Section 5.13. Disposition of Unclaimed Funds ...................................................................................37

ARTICLE VI
Redemption of Bonds

Section 6.1. Privilege of Redemption and Redemption Price .............................................................37
Section 6.2. Redemption at the Election or Direction of the Corporation or NYCHA .......................37
Section 6.3. Redemption Otherwise Than at Corporation’s Election or Direction ..................................38
Section 6.4. Selection of Bonds to Be Redeemed ................................................................................38
Section 6.5. Notice of Redemption ......................................................................................................38
Section 6.6. Payment of Redeemed Bonds ..........................................................................................39
Section 6.7. Purchase at Any Time ........................................................................................................39
Section 6.8. Conditional Redemption ..................................................................................................40

ARTICLE VII
Covenants of the Corporation

Section 7.1. Payment of Senior Obligations .........................................................................................40
Section 7.2. Extension of Payment of Senior Obligations ...................................................................40
Section 7.3. Offices for Servicing Bonds .............................................................................................40
Section 7.4. Power to Incur Senior Obligations and Pledge Revenues ..................................................41
ARTICLE VIII

Supplemental Indentures

Section 8.1. Supplemental Indentures Not Requiring the Consent of Owners of Bonds
Section 8.2. Supplemental Indentures Effective upon Consent of Owners of Bonds
Section 8.3. General Provisions

ARTICLE IX

Amendments

Section 9.1. Mailing of Notice of Amendment
Section 9.2. Powers of Amendment
Section 9.3. Consent of Owners of Bonds
Section 9.4. Modifications by Unanimous Consent
Section 9.5. Exclusion of Bonds
Section 9.6. Notation on Bonds
Section 9.7. Amendments to Loan Agreements

ARTICLE X

Defaults and Remedies

Section 10.1. Events of Default
Section 10.2. Remedies
Section 10.3. Priority of Payments After Default
Section 10.4. Termination of Proceedings
Section 10.5. Owners of Bonds' Direction of Proceedings
Section 10.6. Limitation on Rights of Owners of Bonds
Section 10.7. Possession of Bonds by Trustee Not Required
Section 10.8. Remedies Not Exclusive
Section 10.9. Delay or Omission Not Waiver
Section 10.10. Waiver of Defaults
Section 10.11. Notice of Event of Default
Section 10.12. Further Notices of Event of Default
Section 10.13. Rights of Bond Insurer
ARTICLE XI

The Trustee and the Paying Agents

Section 11.1. Duties and Responsibilities of the Trustee .................................................. 55
Section 11.2. Certain Rights of the Trustee ............................................................... 57
Section 11.3. Trustee Not Responsible for Recitals ...................................................... 58
Section 11.4. Trustee May Not Own Bonds ............................................................... 58
Section 11.5. Compensation and Expenses of the Trustee ........................................... 58
Section 11.6. Qualifications of Trustee ............................................................... 59
Section 11.7. Resignation or Removal of Trustee; Appointment of Successor Trustee .......... 59
Section 11.8. Acceptance of Appointment by Successor Trustee ................................... 60
Section 11.9. Merger, Succession or Consolidation of Trustee ....................................... 60
Section 11.10. Notices to Bondholders; Waiver ....................................................... 60
Section 11.11. Paying Agents; Appointment and Acceptance of Duties; Removal .......... 62
Section 11.12. Appointment of Co Trustee .............................................................. 62

ARTICLE XII

Defeasance

Section 12.1. Defeasance .................................................................................. 63

ARTICLE XIII

Miscellaneous

Section 13.1. Limited Liability of Corporation ....................................................... 65
Section 13.2. Benefits of Indenture Limited ........................................................... 65
Section 13.3. Successor Is Deemed Included in All References to Predecessor ............... 65
Section 13.4. Execution of Documents by Owners of Bonds ....................................... 66
Section 13.5. Waiver of Notice ........................................................................ 66
Section 13.6. No Recourse Under Indenture or on Senior Obligations ....................... 66
Section 13.7. HUD Not Liable ........................................................................ 67
Section 13.8. Collection of Revenues; Recording and Filing ....................................... 67
Section 13.9. Notices ....................................................................................... 67
Section 13.10. Governing Law ........................................................................ 68
Section 13.11. Severability ............................................................................. 68
Section 13.12. Execution of Counterparts ............................................................ 68
Section 13.13. Federal Public Housing Requirements Control .................................. 68
Master Trust Indenture

THIS MASTER TRUST INDENTURE (this "Master Indenture") dated as of ___ 1, 2013, by and between the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation, created and existing under the laws of the State of New York (the "State"), and _____, as trustee (the "Trustee"), a ____ banking company, duly organized and validly existing under the laws of _____, authorized to exercise trust company powers in the State (those capitalized terms that are not defined in the recitals and granting clauses shall have the meanings assigned thereto in Article I hereof):

Witnesseth:

WHEREAS, the Act authorizes the Corporation to make and contract for the making of loans for the acquisition, construction or rehabilitation of housing accommodations containing five or more dwelling units for the purpose of providing housing accommodations for occupancy by persons and families for whom the ordinary operations of private enterprise cannot supply an adequate supply of safe, sanitary and affordable housing accommodations;

WHEREAS, the Act further authorizes the Corporation to carry out any of its purposes through the expenditure of the proceeds of bonds issued by the Corporation, payable solely from revenues of the Corporation;

WHEREAS, the Corporation has determined that the issuance of bonds in one or more series (the "Bonds") pursuant to this Indenture is necessary to achieve the purpose of the Corporation to provide financial assistance to the New York City Housing Authority ("NYCHA") for the purpose of financing those public housing projects (by means of accelerating renovations and repairs under the Capital Fund Program) that constitute "public housing" projects within the meaning of the U.S. Housing Act of 1937 and, in that manner, to provide housing accommodations for occupancy by persons and families for whom the ordinary operations of private enterprise cannot supply an adequate supply of safe, sanitary and affordable housing accommodations;

WHEREAS, NYCHA is a party to a Consolidated Annual Contributions Contract with the United States Department of Housing and Urban Development ("HUD") that has been amended by a Capital Fund Financing Amendment (the "Capital Fund Financing Amendment"), pursuant to which HUD has approved the issuance of the initial two Series of Bonds hereunder and has agreed that NYCHA shall have a claim to moneys received under its Capital Funds program, subject to the availability of appropriations, in that amount sufficient to repay the loan of Bond proceeds provided by the Corporation to NYCHA pursuant to a Loan Agreement;

WHEREAS, NYCHA, pursuant to a Loan Agreement (the "Loan Agreement"), has assigned to the Corporation and the Trustee its rights to payments received from HUD under the aforesaid Capital Fund Financing Amendment, and HUD has consented to such assignment (but any future Loan or assignment will require separate review and approval by HUD);

WHEREAS, the Bonds and other obligations, including the payment of certain fees and expenses of various parties incurred in connection with the Bonds and performance
obligations of the Corporation, secured by this Indenture (collectively the "Obligations") will be
secured by and payable from certain amounts to be received by the Trustee from HUD pursuant
to the HUD Letter and Capital Fund Financing Amendment, subject to the availability of annual
appropriations of such amounts for such purposes by the Congress of the United States of
America, and as enacted into public law and subject to any other provisions of law, and from the
other sources described herein and from any amounts paid directly by NYCHA to the Trustee;

WHEREAS, all things necessary to make the Bonds, when issued, executed and
delivered by the Corporation and authenticated by the Trustee, to the extent required pursuant to
this Indenture, the valid, binding and legal special obligations of the Corporation, and to
constitute this Indenture as a valid assignment and pledge of and security interest in the revenues
herein pledged to the payment of the principal of, redemption premium, if any, and interest on
the Bonds and the payment of all other Obligations and a valid assignment and pledge of and
security interest in certain rights of the Corporation has been done and performed, and the
creation, execution and delivery of this Indenture, and the execution, issuance and delivery of the
Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW THEREFORE, THIS TRUST INDENTURE WITNESSETH:

Granting Clauses

There is hereby pledged to secure the payment of the Obligations (including any
Sinking Fund Payments for the retirement thereof) and there are hereby assigned to the Trustee
and its successors in trust and assigns forever, subject only to the provisions of this Indenture
permitting the application or exercise thereof for or to the purposes and on the terms and
conditions herein set forth, for the equal and ratable benefit and security of the Holders of the
Obligations, without preference, priority or distinction as to lien or otherwise except as otherwise
provided in this Indenture, of any one of the Obligations over any other of the Obligations or as
between principal or interest, all of the following:

(1) all Revenues;

(2) all moneys and securities from time to time held by the Trustee under the
terms of this Indenture (excluding the Costs of Issuance Fund, Rebate Fund and any
amounts owing as rebate to the U.S. Treasury) subject to use and application in
accordance with the provisions hereof;

(3) all right, title and interest of the Corporation in the Loan Agreements,
including all rights to receive the payments to be made thereunder and all rights to
enforce and exercise remedies thereunder, reserving, however, the Reserved Rights; and

(4) any and all other real or personal property of every name and nature, from
time to time hereafter by delivery or by writing of any kind conveyed, mortgaged,
pledged, assigned or transferred as and for additional security hereunder by the
Corporation or by anyone on its behalf or with its written consent to the Trustee, which is
hereby authorized to receive any and all such property at any and all times and to hold
and apply the same subject to the terms hereof;
TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, to the Trustee and its respective successors in trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the benefit, security and protection of all present and future owners of Obligations secured by this Indenture to the extent set forth herein;

PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest on, and other amounts in respect of, the Obligations due or to become due thereon, at the times and in the manner mentioned in the Obligations and as provided herein and shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits, this Indenture and the rights hereby granted shall cease, terminate and be void and the Trustee shall thereupon cancel and discharge this Indenture and execute and deliver to the Corporation such instruments in writing as shall be requisite to evidence the discharge hereof.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Obligations issued or incurred and secured hereunder are to be issued, incurred, authenticated and delivered and all of the Trust Estate is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes hereinafter expressed and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee and for the benefit of the respective owners of Obligations, as follows:

ARTICLE I
Definitions

Section 1.1. Definitions. Unless the context otherwise requires or as contained in the Loan Agreements (defined below), the terms defined in this Section shall, for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

ACCOUNT

“Account” means any of the trust funds and accounts created and established by, or pursuant to, this Indenture.

ACT

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

“Additional Bonds” means the additional parity bonds authorized to be issued by the Corporation pursuant to Section 7.8.

ANNUAL CAPITAL FUND ACC AMENDMENT

“Annual Capital Fund ACC Amendment” means the annual amendment to the ACC to be executed by NYCHA and HUD for the obligation of annual Capital Fund Grant Monies.

ANNUAL DEBT SERVICE REQUIREMENT

“Annual Debt Service Requirement” means, with respect to any Bond Year, the aggregate of the Interest Requirement and the Principal Requirement for such Bond Year.

AUTHENTICATING AGENT

“Authenticating Agent” means the Trustee or any other Fiduciary as may be authorized pursuant to a Supplemental Indenture to perform the acts required of such agent in conformance with the provisions of this Indenture and such Supplemental Indenture.

AUTHORIZED OFFICER

“Authorized Officer” means, (a) when used with respect to the Corporation, the Chairperson, Vice-Chairperson, President, any Executive Vice President or any Senior Vice President of the Corporation and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Corporation then authorized to perform such act or discharge such duty; (b) when used with respect to NYCHA, the Chairperson, Vice-Chairperson, the General Manager or the Chief Financial Officer of NYCHA (or person acting in such capacity) and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of NYCHA then authorized to perform such act or discharge such duty, and (c) when used with respect to the Trustee, any Managing Director, Director, Vice President, Assistant Vice President or corporate trust administrator of the Trustee then authorized to act for the Trustee and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Trustee then authorized to perform such act or discharge such duty.

BANKING DAY

“Banking Day” means a day when banking institutions in the State are not required or authorized to remain closed.

BENEFICIAL OWNER

“Beneficial Owner” means, for any Bond that is held by a nominee, the beneficial owner of such Bond.
BOND COUNSEL’S OPINION

"Bond Counsel’s Opinion” means an opinion signed by Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Corporation.

BOND INSURANCE POLICY

"Bond Insurance Policy” means any municipal bond new issue insurance policy insuring and guaranteeing the payment of the principal of and interest on all or any portion of a Series of Bonds, as may be provided in the Supplemental Indenture authorizing such Series.

BOND INSURER

"Bond Insurer” means any Person that issues a Bond Insurance Policy with respect to a Series of Bonds.

BOND PAYMENT DATE

"Bond Payment Date” means the date specified in any Supplemental Indenture for payment of principal of or interest on the Bonds.

BOND YEAR

"Bond Year” means, with respect to the Bonds, the initial period beginning on __, 2013, and terminating on June 30, 2014, and thereafter each period of twelve (12) consecutive months beginning on July 1 and terminating on June 30.

BONDHOLDER

"Bondholder” means when used with reference to a Bond, any Person who shall be the registered owner of any Outstanding Bond as set forth on the registration books maintained by the Registrar.

BONDS

"Bonds” means the Capital Fund Grant Program Revenue Bonds authorized by and issued under this Indenture pursuant to the Act.

BOOK ENTRY BONDS

"Book Entry Bonds” means that part of a Series for which a Securities Depository or its nominee is the Bondholder.

BUSINESS DAY

"Business Day” means a day of the year, except (a) a Saturday or Sunday, (b) days on which banks located in the city in which the Designated Corporate Trust Office of the
Trustee is located are required or authorized to remain closed, or (c) any day on which the New York Stock Exchange is closed.

CALENDAR YEAR

"Calendar Year" means the period commencing on January 1 of each year and terminating on the next succeeding December 31.

CAPITAL FUND FINANCING AMENDMENT

"Capital Fund Financing Amendment" means the Capital Fund Financing Amendment to the Consolidated Annual Contributions Contract between NYCHA and HUD.

CAPITAL FUND GRANT MONIES

"Capital Fund Grant Monies" means funds allocated and distributed by HUD to or on behalf of NYCHA pursuant to the Capital Fund Program (but excludes any Replacement Housing Factor Funds as described in the Capital Fund Program).

CAPITAL FUND PROGRAM

"Capital Fund Program" means the federal housing assistance program established by Section 9(d) of the United States Housing Act of 1937, as amended (42 U.S.C. §1437g(d)), together with all successor or replacement federal programs pursuant to which NYCHA receives funds for the purpose of development, financing, modernization, improvement or otherwise in connection with the capital costs of public housing projects and the other purposes set forth in said Section 9(d).

CASH EQUIVALENT

"Cash Equivalent" means a letter of credit, insurance policy, surety, guarantee or other security arrangement provided by an institution that has received a rating of its claims paying ability from each of the Rating Agencies at least equal to the then existing respective rating on the Bonds or whose unsecured debt securities are rated at least the then existing respective rating on the Bonds (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument) by the Rating Agencies, in each case without taking into account ratings based on the coverage of any Bond Insurance Policy.

CASH FLOW STATEMENT

"Cash Flow Statement" means a certificate prepared by or on behalf of the Corporation with respect to Cash Flows setting forth, for the period extending from the date of such certificate to the latest maturity of the Bonds then Outstanding, (i) all amounts expected to be received by the Trustee under the Loan Agreements during such period; and (ii) the application of all Revenues in accordance with this Indenture; and establishing under the scenario included in the Cash Flows that anticipated Revenues will be at least sufficient to pay the principal of and interest on the Bonds. Each Cash Flow Statement shall be accompanied by all supporting Cash Flows, and shall be sent by the Corporation to each Rating Agency.
CASH FLOWS

"Cash Flows" means cash flow schedules prepared by or on behalf of the Corporation.

CERTIFICATE

"Certificate" means a written document signed by an Authorized Officer or Authorized Officers attesting to or acknowledging the circumstances or other matters therein stated, which Certificate shall not be required to be approved, adopted or ratified by action of the governing body of the Corporation.

CODE


CONDITIONAL REDEMPTION

"Conditional Redemption" means a redemption where the Corporation has stated in the redemption notice to the Trustee that the redemption is conditioned upon certain events, including the deposit of funds.

CORPORATION

"Corporation" means the New York City Housing Development Corporation, a corporate governmental agency and public benefit corporation, or any body, agency or instrumentality of the State that shall hereafter succeed to the powers, duties and functions of the Corporation; provided, that with respect to the issuance of bonds or other obligations by any other entity pursuant to the provisions of Section 2.7 of this Master Indenture, the term "Corporation" shall be used herein with reference to the entity issuing such bonds or other obligations.

CORPORATION'S OUTSTANDING 2005A BONDS (NYCHA)

"Corporation's Outstanding 2005A Bonds (NYCHA)" means the Corporation's Capital Fund Program Revenue Bonds (New York City Housing Authority Program), Series 2005A issued under that Master Trust Indenture, dated as of April 1, 2005, as supplemented, between the Corporation and The Bank of New York, as trustee.

COSTS OF ISSUANCE

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

DATE OF ISSUE

"Date of Issue" means for any particular Series of Bonds, the actual date of authentication and delivery by the Trustee and issuance by the Corporation of the Bonds of such Series.

DATED DATE

"Dated Date" means for each maturity of Bonds issued pursuant to this Indenture, the date specified in the Supplemental Indenture authorizing such Series as the date from which interest on such maturity shall begin to accrue.

DEBT SERVICE

"Debt Service" means, with respect to any particular Bond Year and any particular Series of Bonds, an amount equal to the sum of (i) the Interest Requirement payable on such Bonds during such Bond Year, plus (ii) any Principal Requirements of such Bonds during such Bond Year, plus (iii) any additional applicable premium payable on such Bonds during such Bond Year, but shall not include the purchase price of Bonds that may be required to be purchased other than as part of a regularly scheduled mandatory sinking fund redemption, including redemptions required pursuant to the terms of any Cash Equivalents utilized in the Debt Service Reserve Fund.

DEBT SERVICE FUND

"Debt Service Fund" means the Debt Service Fund established pursuant to Section 5.2.

DEBT SERVICE RESERVE REQUIREMENT

"Debt Service Reserve Requirement" means, as of any date of calculation, the amount equal to one-half (1/2) of the maximum Debt Service in any given Bond Year on all Outstanding Bonds.

DEFEASANCE OBLIGATIONS

"Defeasance Obligations" means Government Obligations or obligations (which obligations shall be rated by the Rating Agencies no lower than the highest rating category assigned by each Rating Agency) (i) validly issued by or on behalf of a state or political subdivision thereof, (ii) the interest on which is excluded from gross income for Federal income tax purposes pursuant to Section 103(a)(1) of the Code and (iii) fully secured by a first lien on Government Obligations; provided, that no Capital Fund Grant Monies shall be applied to purchase Defeasance Obligations.
DEPOSITARY

"Depositary" means any commercial bank, trust company or national banking association selected by the Corporation or the Trustee as a depositary of moneys or securities held under the provisions of this Indenture, and may include the Trustee or any Paying Agent.

DESIGNATED CORPORATE TRUST OFFICE

"Designated Corporate Trust Office" means the office or offices of the Trustee, the Registrar or any Paying Agent designated by such Trustee, Registrar or Paying Agent to perform certain duties or receive certain notices under this Indenture, the notice address or addresses of which are set forth in, or provided pursuant to, Section 13.9.

DTC

"DTC" shall have the meaning given to such term in Section 3.11.

EVENT OF DEFAULT

"Event of Default" means (i) with respect to each Loan Agreement, those events defined as such in such Loan Agreement and (ii) with respect to the Indenture, any of the events specified in Section 10.1.

FEDERALLY TAXABLE BONDS

"Federally Taxable Bonds" means Bonds so designated by the Supplemental Indenture pursuant to which they are issued.

FIDUCIARY

"Fiduciary" means the Trustee, the Registrar, the Authenticating Agent, any Depositary, any Paying Agent and any such additional fiduciary as may be authorized pursuant to a Supplemental Indenture, or any or all of them as may be appropriate.

FITCH

"Fitch" means Fitch Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference herein to such Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

FISCAL YEAR

"Fiscal Year" means the annual accounting period of the Corporation as established by the Corporation or by applicable law from time to time.
GOVERNMENT OBLIGATIONS

"Government Obligations" means (i) direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations 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.

HOLDER, OWNER

"Holder," "Owner," "owner" or words of similar import, when used with reference to an Obligation, means the holder or owner of any Outstanding Obligation as set forth on the registration books maintained by the Registrar.

HUD

"HUD" means the United States Department of Housing and Urban Development and its successors and assigns.

HUD LETTER

"HUD Letter" means the letter from HUD to NYCHA approving the issuance of one or more Series of Bonds as referred to therein, and authorizing NYCHA to pledge and assign the Revenues pursuant to the applicable Loan Agreement.

INDENTURE

"Indenture" means this Master Indenture providing for the issuance of the Bonds of the Corporation, as from time to time amended or supplemented by Supplemental Indentures.

INTEREST PAYMENT DATE

"Interest Payment Date" means (a) any date upon which interest on the Bonds is due and payable in accordance with their terms, including (b) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, and (c) for all Bonds, any date determined pursuant to Section 10.3.

INTEREST PERIOD

"Interest Period" means the period from the date interest accrues on any Senior Obligations to and including the day immediately preceding the first Interest Payment Date, and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.
INTEREST REQUIREMENT

"Interest Requirement" for any Bond Year or any Interest Period, as the context may require, as applied to any Senior Obligations then Outstanding, shall mean the total of the sums that would be deemed to accrue on such Senior Obligations during such Bond Year or Interest Period if the interest on such Senior Obligations were deemed to accrue daily during such Bond Year or Interest Period in equal amounts; provided, however, that interest expense shall be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds allocable to the payment of such interest as provided in the Supplemental Indenture authorizing the issuance of such Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if such proceeds shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

INVESTMENT SECURITIES

"Investment Securities" means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Corporation under the Act or under other applicable law and which are permitted under required "HA Cash Management Policies and Procedures Notice PIH 2002-13 (HA)", or, in each case, any subsequent revisions thereto, including the amendments thereto hereafter made, and which in all cases represent securities (including federally insured bank accounts) whose debt quality or provision for collateralization are rated by the Rating Agencies at least as high as the same (or, with respect to short-term investments, equivalent) ratings assigned by the Rating Agencies to the Bonds:

(1) Government Obligations;

(2) 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;

(3) 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;

(4) any other obligation of the United States of America or any Federal agencies which may be purchased by New York State Savings Banks;

(5) 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;
(6) any participation certificate of the Federal Home Loan Mortgage Corporation and any mortgage-backed securities of the Federal National Mortgage Association;

(7) short-term corporate obligations, known as Commercial Paper, with a maturity of up to ninety (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;

(8) obligations of the City or the State;

(9) obligations of the New York City Municipal Water Finance Authority;

(10) obligations, the principal and interest of which, are guaranteed by the City or the State;

(11) 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

(12) any other investment permitted under the Corporation's investment guidelines adopted August 14, 1984, as amended from time to time.

LETTER OF REPRESENTATIONS

"Letter of Representations" means, when all of the Bonds of a Series are Book Entry Bonds, the Letter of Representations, executed by the Corporation and delivered to the Securities Depository and any amendments thereto or successor blanket agreements between the Corporation and any successor Securities Depository, relating to a system of Book Entry Bonds to be maintained by the Securities Depository with respect to any bonds, notes or other obligations issued by the Corporation.

LOAN

"Loan" means the loan made to NYCHA by the Corporation from the proceeds of a Series of Bonds, as evidenced by a Loan Agreement and as approved by the HUD Letter.

LOAN AGREEMENT

"Loan Agreement" means each Loan Agreement among the Corporation, the Trustee, and NYCHA (each of which is subject to review and approval by HUD); collectively referred to as the "Loan Agreements."

LOAN DEBT SERVICE

"Loan Debt Service" means, with respect to each Loan, the payments of interest and principal due on such Loan for a particular Bond Year as set forth in the related Loan Agreement.
LOAN EXPENSE FEE

“Loan Expense Fee” means, as certified to the Trustee and NYCHA from time to time by the Corporation, to be included as a component of interest cost in the amount of Loan Debt Service, the amount in each Bond Year sufficient to pay, or reimburse the Corporation for the payment of, the costs under the Program of any required financial audits, cash flows, Code arbitrage calculations and rebate analysis, Trustee fees and expenses, including as continuing disclosure dissemination agent, rating agency fees and expenses of analytical services rendered for rating agencies, and fees for any Bond Insurance Policy.

LOAN FUND

“Loan Fund” means the Loan Fund established pursuant to Section 5.2.

MOODY’S

“Moody’s” means Moody’s Investors Service, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference herein to such Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

NET LOAN PROCEEDS

“Net Loan Proceeds” means the proceeds of a Series of Bonds deposited into the related Project Loan Account under the Loan Agreement.

NYCHA

“NYCHA” means the New York City Housing Authority, a municipal housing authority and a body corporate and politic created and existing under the laws of the State, constituting a “public housing agency” within the meaning of Section 3(b)(6) of the United States Housing Act of 1937.

NYCHA PERFORMANCE OUTCOME SCHEDULE

“NYCHA Performance Outcome Schedule” means, with respect to a Series of Bonds, the activities of NYCHA to be funded in whole or in part by the related Loan, and any authorized addition to, amendment of or substitution for such activities, as agreed to from time to time between NYCHA and HUD and reflected in the HUD-approved Annual Plan and 5-Year Plan to the extent required under the policies and procedures of HUD.

NYCHA PROGRAM

“NYCHA Program” means, with respect to a Series of Bonds and as set forth in an Exhibit to the related Loan Agreement, (i) the aggregation of the costs for modernization of public housing developments that are the subject of the related NYCHA Performance Outcome
Schedule and the related Loan and/or (ii) the cost of prepaying NYCHA loan debt service for the purpose of refunding all or any portion of the Corporation’s Outstanding 2005A Bonds (NYCHA).

OBLIGATIONS

“Obligations” means all Senior Obligations and Subordinate Obligations.

OPINION OF COUNSEL

“Opinion of Counsel” means a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to the matter addressed by such opinion, selected by the Corporation.

OUTSTANDING

“Outstanding” when used with reference to Obligations, shall mean, as of any date, all Obligations, theretofore or thereupon being authenticated and delivered under this Indenture except:

(13) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date (including Bonds purchased by the Corporation, or by the Trustee at the direction of the Corporation);

(14) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Section 3.7, Section 6.6 or Section 9.6; and

(15) any Bond deemed to have been paid as provided in Section 12.1(B).

PAYING AGENT

“Paying Agent” means the Trustee or any commercial bank or trust company with trust powers designated as paying agent for any Series of the Bonds, and its successor or successors hereafter appointed in the manner herein provided.

PERSON

“Person” or “person” means and includes an association, unincorporated organization, a corporation, a partnership (including limited partnerships), a limited liability corporation, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

PRE-REFUNDED MUNICIPAL OBLIGATIONS

“Pre-refunded Municipal Obligations” means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the
notice, and which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of each Rating Agency.

PRINCIPAL PAYMENT DATE

“Principal Payment Date” means, with reference to any Series or portion of a Series of Bonds, the date upon which the Outstanding principal amount of such Bonds becomes payable.

PRINCIPAL REQUIREMENT

“Principal Requirement” for any Bond Year, as applied to any Senior Obligations then Outstanding, means an amount of money equal to the aggregate of the principal amount of such Senior Obligations that mature during said Bond Year (including all required Sinking Fund Payments), reduced by the aggregate principal amount of such Senior Obligations that would at or before such Bond Year be retired by reason of the payment when due and application in accordance with this Indenture and the Supplemental Indenture creating such Senior Obligations of Sinking Fund Payments payable before such Bond Year for the retirement of Outstanding Bonds.

PROGRAM

“Program” means the Corporation’s program of making a Loan or Loans to NYCHA pursuant to the provisions of this Indenture.

PROJECT LOAN ACCOUNT

“Project Loan Account” means each loan account for a Series of Bonds established by the related Supplemental Indenture.

RATING AGENCY

“Rating Agency” means at least one of (i) Moody’s, (ii) S&P, (iii) Fitch, and (iv) any other nationally recognized securities rating agency, to the extent any such agency described in (i) through (iv) above has been requested by the Corporation to issue a rating on the Bonds and such agency has issued and continues to assign a rating on such Bonds at the time in question.

REBATE FUND

“Rebate Fund” means the Rebate Fund established pursuant to Section 5.2.

RECORD DATE

“Record Date” means, (a) with respect to any Interest Payment Date described in subsection (a) of that defined term, (1) in the case of Bonds that are not Book Entry Bonds, the Trustee’s close of business on the 15th day of the calendar month next preceding such Interest Payment Date, regardless of whether such day is a Business Day, and (2) in the case of Book
Entry Bonds, the Trustee’s close of business on the Business Day preceding the Interest Payment Date, and (b) with respect to any other Interest Payment Date, a date selected by the Trustee.

REDEMPTION DATE

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

REDEMPTION PRICE

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

REFUNDING BONDS

“Refunding Bonds” means any Bond issued to refund Bonds previously issued pursuant to this Indenture.

REGISTRAR

“Registrar” means the Trustee, the Authenticating Agent or any other agent of the Corporation at the office of which Bonds may be presented for registration, transfer, or exchange as provided in Section 3.4.

RESERVED RIGHTS

“Reserved Rights” means those certain rights of the Corporation under the Loan Agreements to indemnification, to payment of the Loan Expense Fee, and to payment or reimbursement of other fees and expenses of the Corporation, and its right to give and receive notices and to enforce notice and reporting requirements, its right to specifically enforce NYCHA’s covenants (provided that any such enforcement, other than enforcement of covenants relating to the exclusion from income taxation of interest on the Bonds, may not impair or conflict with any rights of the Trustee to enforce the provisions of the Loan Agreements or the Indenture) and its rights to give or withhold consent to amendments, changes, modifications and alterations to the Loan Agreements.

REVENUE FUND

“Revenue Fund” means the Revenue Fund established pursuant to Section 5.2.

REVENUES

“Revenues” means that portion of NYCHA’s Capital Fund Grant Monies permitted by HUD to be paid to the Trustee, subject to the availability of appropriations, for Loan Debt Service in accordance with the terms of each Loan Agreement and pursuant to each written approval of Bonds by HUD and each Capital Fund Financing Amendment. Revenues may include any Capital Fund Grant Monies available to and received from NYCHA for payment of Loan Debt Service and under any effective Annual Plan and Annual Capital Fund
ACC Amendment, including funds remaining unobligated from previous NYCHA fiscal years, without regard to NYCHA fiscal year for which those funds were initially made available (but only to the extent necessary for Loan Debt Service). Revenues shall also include Capital Fund Grant Monies delivered by NYCHA to the Trustee to pay the Redemption Price of Bonds being called for redemption pursuant to the special optional redemption provisions of a Supplemental Indenture and any sums received by NYCHA with respect to proceeds of insurance or condemnation awards that are not applied to repair, rebuilding or replacement or paid by NYCHA for purposes of curing any Event of Default (but not including amounts in the Loan Fund applied to redeem Bonds) for application to payment due under a Loan in accordance with the terms of application of moneys upon an Event of Default contained in the applicable Supplemental Indenture.

S&P

"S&P" means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., New York, New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation. Any reference herein to such Rating Agency shall be of no force and effect from and after the time, if any, that such Rating Agency shall no longer maintain a rating on the Bonds.

SECURITIES DEPOSITORY

"Securities Depository" means a person that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such Act for the purposes of Section 17A thereof.

SENIOR OBLIGATION

"Senior Obligation" means (a) any Bonds issued by the Corporation under this Indenture and (b) any bonds or other obligations issued pursuant to the provisions of Section 2.7.

SERIES

"Series" means all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, pursuant to the same Supplemental Indenture and designated as a Series in such Supplemental Indenture regardless of variations in maturity, interest rate, Sinking Fund Payments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

SINKING FUND PAYMENT

"Sinking Fund Payment" means, as of any particular date of calculation, the amount required to be paid by the Corporation on a certain future date for the retirement of Outstanding Bonds that mature after said future date, but does not include any amount payable
by the Corporation by reason of the maturity of a Bond or by call for redemption at the election of the Corporation.

STATE

"State" means the State of New York.

SUBORDINATE OBLIGATION

"Subordinate Obligation" means any bonds, notes or evidences of indebtedness (not including Senior Obligations) issued by the Corporation as permitted by Section 7.11, and any other subordinate obligation identified in a Supplemental Indenture.

SUBORDINATE OBLIGATION DEBT SERVICE FUND

"Subordinate Obligation Debt Service Fund" means the Subordinate Obligation Debt Service Fund established pursuant to Section 5.2.

SUPPLEMENTAL INDENTURE

"Supplemental Indenture" means any indenture in full force and effect that has been duly executed and delivered by the Corporation and the Trustee; but only if and to the extent that such Supplemental Indenture is executed and delivered in accordance with the provisions of this Indenture, including approval by HUD.

TAX CERTIFICATE

"Tax Certificate" means the Arbitrage and Use of Proceeds Certificate executed by an Authorized Officer (which includes certain certifications by NYCHA) in connection with the issuance of each Series of Bonds.

TEMPORARY FUND

"Temporary Fund" means a fund of that name established pursuant to Section 5.11 and pursuant to a Supplemental Indenture.

TRUST ESTATE

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture. The Costs of Issuance Fund and Rebate Fund and any rebate owing to the U.S. Treasury are not part of the Trust Estate.

TRUSTEE

"Trustee" means ______, and its successor or successors and any other person at any time substituted in its place pursuant to this Indenture.

Section 1.2. Interpretation. (A) In this Indenture, unless the context otherwise requires:
(1) the terms “hereby,” “hereof,” “herein,” “hereunder” and similar terms, as used in this Indenture, refer to this Indenture, and the term “heretofore” means before, and the term “hereafter” means after, the date of adoption of this Indenture;

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

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

(4) references to the payment of the Senior Obligations shall be deemed to include reference to the payment of interest thereon;

(5) references to time shall mean the applicable local time in New York, New York; and

(6) references to Sections and Articles, unless otherwise indicated, refer to Sections and Articles in this Indenture,

(B) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Fiduciaries, and the Owners of Senior Obligations, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Fiduciaries, and the Owners of Senior Obligations.

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

(D) In consideration of the purchase and acceptance of the Senior Obligations by the Owners of Senior Obligations from time to time, the provisions of this Indenture shall constitute a contract between the Corporation and the Trustee and for the benefit of such Holders from time to time of the Senior Obligations.

ARTICLE II

Terms of Senior Obligations

Section 2.1. Authorization for Indenture and Senior Obligations. This Indenture and the issuance or incurrence of Senior Obligations hereunder have been duly authorized by the Corporation, and the principal amount of Senior Obligations that may be
issued or incurred hereunder is not limited except as provided herein or by law. The Corporation has ascertained that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes of the Corporation.

Section 2.2. Limited Obligation of Corporation. The Senior Obligations are limited, not general, obligations of the Corporation payable solely from the Trust Estate, including all Revenues and moneys and securities on deposit in any of the Accounts established hereunder (other than the Costs of Issuance Fund and amounts on deposit in or required to be deposited in the Rebate Fund), including the investments, if any, thereof (other than earnings and income derived from amounts on deposit in the Costs of Issuance Fund and earnings and income derived from amounts on deposit in or required to be deposited in the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by this Indenture. The Senior Obligations are not secured by any public housing Project (as the term “Project” is defined in the ACC). NYCHA has not granted the Corporation or the Trustee with a legal right of recourse against any of its public housing Projects, any operating receipts (as the term “operating receipts” is defined in the ACC), any housing choice voucher receipts, or any of its public housing operating reserve reflected in NYCHA’s annual operating budget and required under the ACC. Each Senior Obligation shall contain thereon a statement that (i) the faith and credit of the Corporation and NYCHA are not pledged for the payment of the principal or Redemption Price of, or the interest on, the Senior Obligations, (ii) the Senior Obligations shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Senior Obligations be payable out of any funds of the Corporation or NYCHA other than those of the Corporation pledged therefor, (iii) that the Senior Obligations are not a debt or liability of, or guaranteed by, the United States of America or the Department of Housing and Urban Development, (iv) that the full faith and credit of the United States of America is not pledged to the payment of debt service on the Senior Obligations, and (v) that the payment of debt service on the Senior Obligations is not guaranteed by the United States of America or HUD.

Section 2.3. Authorization of Bonds. In order to provide sufficient funds for the implementation of the Program, and/or for the refunding of Bonds, subject to the approval of HUD, obligations of the Corporation in the form of Bonds are hereby authorized to be issued from time to time hereunder in one or more Series without limitation as to amount except as may be provided by law. Bonds may be issued as Federally Taxable Bonds only if so provided in the Supplemental Indenture authorizing such Bonds. No Bonds shall be issued unless they are part of an issue described in a Supplemental Indenture and until the conditions contained in Section 2.5 and, in the case of Refunding Bonds, Section 2.6 are satisfied. A Series of Refunding Bonds may be combined with a Series of Bonds issued for the purpose of financing capital projects relating to the Program.

Section 2.4. Issuance and Delivery of Bonds. After their approval by HUD and authorization by the Corporation, Bonds may be executed by or on behalf of the Corporation and delivered to an Authenticating Agent for authentication and, upon compliance by the Corporation with the requirements of Section 2.5 and, in the case of Refunding Bonds, Section 2.6, the Authenticating Agent shall thereupon authenticate and deliver such Bonds to or upon the order of the Corporation.
Section 2.5. **Conditions Precedent to Delivery of Bonds.** The Bonds of each Series shall be authenticated and delivered upon the order of the Corporation, but only upon the receipt by an Authenticating Agent of:

(1) a copy of the Supplemental Indenture authorizing such Series of Bonds, executed and delivered by the Corporation (or alternative issuer as permitted under Section 2.7) and the Trustee and containing the following:

(a) the authorized principal amount and designation of such Bonds;

(b) the purposes for which the proceeds of such Bonds shall be used, which shall be one or more of the following: (i) the making of deposits into the Accounts (including the Loan Fund and the Debt Service Reserve Fund) for the purpose of financing Loans, (ii) the refunding of any Bonds, (iii) the payment of Costs of Issuance, (iv) the funding of capitalized interest or (v) any combination of the foregoing;

(c) the Dated Dates and maturity dates of such Series of Bonds;

(d) the interest rates, if any, of and principal amounts payable upon such Bonds (or the manner of determining such rates or amounts) and the Interest Payment Dates, if any, and Principal Payment Dates therefor;

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

(f) subject to Section 7.3, the Paying Agents and the places of payment of such Bonds or the manner of appointing and designating the same;

(g) provisions concerning the forms of such Bonds and of the Authenticating Agent’s certificate of authentication;

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

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

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

(k) the Bond Insurer, if any; and

(l) if applicable, designation that the Bonds of such Series are Federally Taxable Bonds;

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

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

(4) evidence of the receipt by the Trustee of the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to Section 4.1, which shall be conclusively established by the executed certificate of the Trustee so stating, receipt of fund sufficient to cause the amounts in the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement;

(5) executed Loan Agreements which, in the aggregate, provide for the payment of the related Loan Debt Service;

(6) in the case of Bonds (other than the initial two Series of Bonds) issued pursuant to Section 7.8, evidence that the provisions of Section 7.8 have been complied with as of the date of delivery of such Series;

(7) HUD Letter to NYCHA approving the issuance of such Series of Bonds;

(8) Capital Fund Financing Amendment between HUD and NYCHA relating to such Series of Bonds; and

(9) such further documents and moneys as are required by the provisions of Article VIII or of any Supplemental Indenture entered into pursuant to Article VIII.

Section 2.6. Conditions Precedent to Delivery of Refunding Bonds. (A) In addition to the requirements of Section 2.5, Refunding Bonds of any Series shall be authenticated by an Authenticating Agent only upon the receipt by the Authenticating Agent of:

(1) evidence of the receipt by the Registrar of instructions to the Registrar to give due notice of the payment or redemption of all the Bonds to be refunded and the Bond Payment Dates or Redemption Dates, if any, upon which such Bonds are to be paid or redeemed, which shall be conclusively established by the executed certificate of the Registrar so stating;
(2) if Bonds are to be refunded that also are to be redeemed subsequent to the next succeeding forty-five (45) days, evidence of the receipt by the Registrar of instructions to the Registrar to mail, as provided in Article VI, notice of the redemption of such Bonds on a specified date prior to their Redemption Date, which shall be conclusively established by the executed certificate of the Registrar so stating; and

(3) evidence of the receipt by the Trustee of (i) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment or redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the due date or Redemption Date, or (ii) non-callable Government Obligations for the purpose of effecting a refunding of Bonds, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable principal or Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date or dates of maturity thereof, which moneys or non-callable Government Obligations shall be held by the Trustee or any one or more of the Paying Agents in the Debt Service Fund or a separate escrow account to be created pursuant to an escrow agreement entered into for that purpose. Such receipt shall be conclusively established by the executed certificate of the Trustee so stating.

(B) Except as otherwise provided in Section 12.1, neither the non-callable Government Obligations nor moneys deposited with the Trustee pursuant to Section 2.6(A)(4) nor principal or interest payments on any such non-callable Government Obligations shall be withdrawn or used for any purpose other than the payment of the applicable principal or Redemption Price of and interest on the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date, and any cash received from such principal or interest payments, if not then needed for such purpose, shall be deposited into the Revenue Fund.

Section 2.7. Alternative Issuers. Subject to the approval of the Corporation and HUD and the receipt of evidence from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding, NYCHA may issue additional bonds under a separate indenture, either on its own or through an alternative issuer selected by NYCHA. The Corporation agrees that any additional bonds issued by NYCHA, or by an alternative issuer approved by HUD and the Corporation, under a separate indenture may be issued on a parity basis without any further approval or consent of the Corporation and shall be the sole responsibility of NYCHA. NYCHA or any such other entity may issue such bonds or other obligations if it enters into a written agreement under which it agrees to be bound by the terms and conditions of Section 7.8 hereof (other than 7.8(b)(3)) as if such other obligations were Bonds. In addition, no such bonds or other obligations shall be issued unless there shall be delivered to the Trustee an opinion of Bond Counsel (or other bond counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by NYCHA or by the alternative issuer) to the effect that the issuance of such bonds or other obligations by such entity is in accordance with such conditions to issuance contained in Section 7.8 and this Section 2.7 and shall not impair the exclusion of interest on any Outstanding Bonds from federal income taxation.
ARTICLE III

General Terms and Provisions of Bonds

Section 3.1. Place, Medium of Payment, Denomination, Maturities, Credit or Debt Service Reserve Facilities, Form and Date. (A) Principal of, and premium, if any, on the Bonds are payable when due upon presentation and surrender thereof at the Designated Corporate Trust Office of the Paying Agent. Interest on the Bonds (which, unless otherwise provided in a Supplemental Indenture, will be calculated on the basis of a 360-day year of twelve 30-day months) will be paid by check or draft drawn upon the Paying Agent and mailed (by first class mail) to registered owners as of the Record Date at the addresses shown on the registration books maintained by the Registrar, provided that, at the written request of the registered owner of at least $1,000,000 principal amount of Bonds (which request may provide that it will remain in effect with respect to each subsequent Interest Payment Date unless and until changed or revoked at any time prior to an Interest Payment Date by subsequent written notice to the Paying Agent) interest shall be paid by wire transfer or other method of transfer of immediately available funds acceptable to the Paying Agent and the Corporation. Payment as aforesaid shall be made in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

(B) Unless otherwise provided in a Supplemental Indenture, (a) the Interest Payment Dates on each Series of Bonds shall be January 1 and July 1 of each year (commencing on the date specified in the Supplemental Indenture pursuant to which such Series is issued), and (b) the Principal Payment Dates for each Series of Bonds shall be July 1 of such years as shall be specified by the Supplemental Indenture pursuant to which such Series is issued; provided, that, for each Series, the Supplemental Indenture authorizing such Series may specify other dates for the payment of interest and principal and may specify that the frequency of payment for interest and principal may be more or less frequent than semi-annual and annual, respectively.

(C) Bonds shall be issued in fully registered form, without coupons.

(D) All Series of Bonds shall be dated and shall be issued in such denominations as are provided in the Supplemental Indenture authorizing such Bonds. Bonds of any Series issued prior to the first Interest Payment Date, if any, applicable to Bonds of such Series shall bear interest from their Dated Date, but Bonds issued on or subsequent to the first Interest Payment Date applicable to Bonds of such Series shall bear interest from the Interest Payment Date last preceding the date of authentication thereof (unless such date of authentication shall be an Interest Payment Date, in which case they shall bear interest from such Interest Payment Date). If, however, as shown by the records of the Trustee and Registrar, interest on such Series of Bonds shall be in default, the Bonds issued in lieu of such Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds surrendered.

(E) In addition to registered Bonds requiring physical delivery, Bonds may be issued as book entry securities in connection with which no physical instrument need be issued or delivered to establish ownership, if the Supplemental Indenture authorizing the issuance of such Bonds so specifies.
(F) The interest rate or rates on Bonds of any Series may be fixed or variable, or fixed and variable, as shall be set forth in the Supplemental Indenture authorizing such Bonds.

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

Section 3.3. Interchangeability of Bonds. Bonds, upon surrender thereof at the Designated Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney, may at the option of the registered owner thereof, and upon payment by such registered owner of any charges that the Authenticating Agent may make as provided in Section 3.6, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity bearing the same rate of interest and having the same terms of any of the authorized denominations; provided, however, that the exchange of Bonds may be restricted by the Supplemental Indenture pursuant to which such Bonds are issued.

Section 3.4. Negotiability, Transfer and Registry. Except as provided in any Supplemental Indenture, all the Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration, transfer and exchange contained in this Indenture and in the Bonds. So long as any of the Bonds remain Outstanding, the Corporation shall maintain and keep, at the Designated Corporate Trust Office of a Registrar, which may be one or more banks or trust companies or national banking associations appointed by the Corporation, books for the registration, transfer and exchange of Bonds. Upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered in such books, and permit to be transferred thereon, any Bonds pursuant to such reasonable regulations as it or the Registrar may prescribe. So long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the Designated Corporate Trust Office of the Registrar.

Section 3.5. Transfer of Bonds. (A) Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the Designated Corporate Trust Office of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the Corporation shall issue in the name of the transferee a new Bond or Bonds, of the same aggregate principal amount, Series, priority, interest rate and maturity as the surrendered Bond.

(B) The Corporation and any Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor any Fiduciary shall be affected by any notice to the contrary.
Section 3.6. **Regulations With Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Corporation shall execute and an Authenticating Agent shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or an Authenticating Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (i) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, or (ii) as otherwise provided herein, may charge a sum sufficient to pay the cost of preparing each new Bond (except for any Bonds held in custody for the benefit of any Cash Equivalent provider pursuant to a Supplemental Indenture) issued upon such exchange or transfer, which sums shall be paid by the Bondholder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Corporation shall not be obligated to issue, exchange or transfer any Bond during a period beginning on the opening of business on the date Bonds are selected for redemption and ending on the date of the mailing of notice of such redemption or transfer or exchange Bonds called or being called for redemption, except the unredeemed portion of Bonds being redeemed in part.

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

If, after the delivery of such replacement Bond, the original Bond in lieu of which such replacement Bond was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee or the Corporation in connection therewith.

Section 3.8. **Preparation of Definitive Bonds; Temporary Bonds.**

(A) **Definitive Bonds** shall be typewritten, lithographed or printed on steel engraved borders. Until definitive Bonds are prepared, the Corporation may execute and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more
temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bonds are issued, in authorized denominations or any multiple thereof, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. Upon surrender of such temporary Bonds for exchange and cancellation, the Corporation at its own expense shall prepare and execute and, without charge to the Owner thereof, deliver in exchange therefor, at the corporate trust office of an Authenticating Agent, definitive Bonds, of the same aggregate principal amount, Series and maturity, bearing the same rate of interest and having the same terms as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall be in all respects entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture.

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

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

Section 3.10. Execution and Authentication. (A) After their authorization pursuant to a Supplemental Indenture, Bonds of a Series may be executed pursuant to or on behalf of the Corporation and delivered to an Authenticating Agent for authentication. The Bonds shall be executed in the name and on behalf of the Corporation by the manual or facsimile signature of an Authorized Officer and the corporate seal of the Corporation (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of any other Authorized Officer, 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 any of the Bonds shall cease to be such officer or employee before the Bonds so signed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed such Bonds had not ceased to hold such office or be so employed. Any Bond may be signed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the Dated Date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

(B) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing such Bonds, executed manually by an Authenticating Agent. No Bond shall be entitled to any right or benefit under this Indenture or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by an Authenticating Agent. Such certificate of an Authenticating Agent upon any Bond executed on behalf of the Corporation shall be conclusive evidence that
the Bond so authenticated was issued and delivered under this Indenture and that the Owner thereof is entitled to the benefits hereof.

Section 3.11. **Securities Depository Provisions.** The Bonds of each Series shall be Book Entry Bonds, unless otherwise provided in the Supplemental Indenture authorizing such Series. All Book Entry Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Corporation acknowledges that it has executed and delivered a Blanket Letter of Representations with DTC. All payments of principal of, redemption premium, if any, and interest on the Book Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. The terms and provisions of the Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and the Letter of Representations. The Letter of Representations may be amended without Bondholder consent.

The book-entry registration system for all of the Book Entry Bonds may be terminated and certificates delivered to and registered in the name of the Beneficial Owners, under either of the following circumstances:

(a) DTC notifies the Corporation and the Trustee that it is no longer willing or able to act as Securities Depository for the Book Entry Bonds and a successor Securities Depository for the Book Entry Bonds is not appointed by the Corporation prior to the effective date of such discontinuation; or

(b) The Corporation determines that continuation of the book-entry system through DTC (or a successor securities depository) is not in the best interest of the Owners of the Book Entry Bonds.

In the event a successor Securities Depository is appointed by the Corporation, the Book Entry Bonds will be registered in the name of such successor Securities Depository or its nominee. In the event certificates are required to be issued to Beneficial Owners, the Trustee and the Corporation shall be fully protected in relying upon a certificate of DTC or any DTC participant as to the identity of and the principal amount of Book Entry Bonds held by such Beneficial Owners.

The Beneficial Owners of Bonds will not receive physical delivery of certificates except as provided herein. For so long as there is a Securities Depository for Bonds, all of such Bonds shall be registered in the name of the nominee of the Securities Depository, all transfers of beneficial ownership interests in such Bonds will be made in accordance with the rules of the Securities Depository, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of such Bonds is to receive, hold or deliver any certificate. The Corporation and the Trustee shall have no responsibility or liability for transfers of beneficial ownership interests in such Bonds.

The Corporation and the Trustee will recognize the Securities Depository or its nominee as the Bondholder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting; provided the Trustee may recognize votes by or on behalf of Beneficial
Owners as if such votes were made by Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Securities Depository or otherwise pursuant to the rules of the Securities Depository or the provisions of the Letter of Representations or other comparable evidence delivered to the Trustee by the Bondholders.

With respect to Book Entry Bonds, the Corporation and the Trustee shall be entitled to treat the Person in whose name such Bond is registered as the absolute owner of such Bond for all purposes of this Indenture, and neither the Corporation nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of such Book Entry Bond. Without limiting the immediately preceding sentence, neither the Corporation nor the Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of any Securities Depository or any other Person with respect to any ownership interest in Book Entry Bonds, (b) the delivery to any Person, other than a Bondholder, of any notice with respect to Book Entry Bonds, including any notice of redemption or refunding, (c) the selection of the particular Bonds or portions thereof to be redeemed or refunded in the event of a partial redemption or refunding of part of the Bonds Outstanding or (d) the payment to any Person, other than a Bondholder, of any amount with respect to the principal of, redemption premium, if any, or interest on Book Entry Bonds.

ARTICLE IV

Application of Bond Proceeds and Other Amounts

Section 4.1. Application of Bond Proceeds, Accrued Interest and Premium. Except as otherwise provided in a Supplemental Indenture, the net proceeds of sale of any Series of Bonds (paid by the underwriters after deducting the underwriter’s compensation, including expenses), other than the proceeds of Refunding Bonds shall, as soon as practicable upon the delivery of the Bonds, by the Trustee pursuant to Section 2.5, be applied as follows:

(1) the amount needed to pay Costs of Issuance related to such Series shall be deposited into the Cost of Issuance Fund;

(2) upon the delivery of a Series of Bonds, the amount, if any, received as accrued interest or capitalized interest, as designated by a Supplemental Indenture, shall be deposited in the Debt Service Fund unless otherwise provided in a Supplemental Indenture;

(3) the amount (or Cash Equivalents) required to cause the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement, if any, taking into account the issuance of such Bonds, shall be deposited to the credit of the Debt Service Reserve Fund; and

(4) the balance remaining after such deposits have been made shall be deposited in the Loan Fund.

Section 4.2. Application of Proceeds of Refunding Bonds. The proceeds of any Series of Refunding Bonds shall be deposited as provided in the Supplemental Indenture authorizing such Series of Bonds.
Section 4.3. Application of Amounts Pledged as Security for Bonds Defeased. The balance of any account or fund of the Corporation that is pledged as security for any Series of Bonds of the Corporation shall be distributed, upon the defeasance of such Series, through the application of the proceeds of Refunding Bonds issued pursuant to this Indenture, as prescribed in the Supplemental Indenture authorizing such Refunding Bonds.

ARTICLE V

Pledge of Revenues; Establishment of Funds and Accounts and Application Thereof

Section 5.1. The Pledge Effected by This Indenture. (A) A pledge of the Trust Estate is hereby made, and the same is hereby pledged, to secure the payment of the principal and Redemption Price of; and interest on, the Senior Obligations, and the payment of all Loan Debt Service, subject only to the provisions of this Indenture or any Supplemental Indenture requiring or permitting the payment, setting apart or appropriation thereof for or to the purposes and on the terms, conditions, priorities and order set forth in or provided under this Indenture or such Supplemental Indenture.

(B) 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 in tort, contract or otherwise against the Corporation, irrespective of whether such parties have notice of the claim.

Section 5.2. Establishment of Accounts. (A) In order best to provide for the proper administration of all moneys received as proceeds of the Bonds, there are hereby created and established the following Accounts (items (i) through (v) constituting part of the Trust Estate) and any Supplemental Indenture authorizing a Series of Bonds may establish additional Funds and additional Accounts within any Funds thereby established or hereunder listed:

(i) the Loan Fund (with individual Series Project Loan Accounts);
(ii) the Revenue Fund;
(iii) the Debt Service Fund;
(iv) the Debt Service Reserve Fund;
(v) the Subordinate Obligation Debt Service Fund;
(vi) the Costs of Issuance Fund; and
(vii) the Rebate Fund.

(B) The following shall be credited to the Loan Fund to be used for the NYCHA Program as directed to the Trustee by NYCHA:

30
all proceeds from the sale of the Bonds (including premium, but excluding accrued interest, capitalized interest, amounts deposited into the Costs of Issuance Fund and proceeds from the sale of Refunding Bonds); and

(2) all other moneys required or directed to be transferred to the Loan Fund pursuant to any Supplemental Indenture. All moneys in the Loan Fund shall be used for the purposes and disbursed as provided in Section 5.3.

(C) All Revenues shall be credited to the Revenue Fund as received.

(D) The following shall be credited to the Debt Service Fund:

(1) accrued interest from the sale of the Bonds, if any;

(2) capitalized interest on the Bonds, if any;

(3) any amounts transferred from the Revenue Fund pursuant to Section 5.4;

(4) any amounts transferred from the Debt Service Reserve Fund pursuant to Section 5.8; and

(5) any amounts transferred from the Loan Fund pursuant to Section 5.3 (A)(2).

(E) Amounts shall be credited to the Subordinate Obligation Debt Service Fund from the Revenue Fund pursuant to Section 5.4.

(F) All such Accounts and any subaccounts thereof established as hereinafter provided shall be held and maintained by the Trustee and shall be identified by the Trustee according to the designations herein provided in such manner as to distinguish such Accounts from the accounts established by the Corporation, and held and maintained by the Trustee, for any other of its obligations. All moneys or securities held by the Trustee or any Depositary pursuant to this Indenture shall be held in trust and applied only in accordance with the provisions of this Indenture. All moneys credited to the Accounts shall be used for the purposes and disbursed as hereinafter provided in this Article. Notwithstanding any other provision herein, to the extent required to comply with the rebate requirements embodied in the tax covenants of the Corporation contained in Section 7.6, earnings on the investment of funds held hereunder shall be deposited in the Rebate Fund.

Section 5.3. Loan Fund. (A) Subject to the provisions of Section 5.3(C) below, moneys in the Loan Fund with respect to each Series of Bonds shall be used, except as otherwise provided by any Supplemental Indenture, only for the following purposes:

(1) to make Loans (i) to finance capital projects and modernization improvements and/or (ii) to prepay loan debt service for the purpose of refunding all or part of the Corporation’s Outstanding 2005A Bonds (NYCHA), in each case pursuant to the NYCHA Program under executed Loan Agreements;
(2) to make deposits to the Debt Service Fund for the purpose of paying principal of or interest on Senior Obligations, whether at maturity or earlier redemption or purchase to the extent of any deficiency therein; and

(3) any amount remaining in the Loan Fund after all Senior Obligations have been retired shall be repaid to NYCHA for use consistent with the Capital Fund Program, provided that prior to any such transfer the Corporation shall have furnished the Trustee with a Bond Counsel's Opinion to the effect that such transfer will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(B) Upon receipt by the Trustee of a requisition in the form appended to the related Loan Agreement, the Trustee shall transfer from the related Project Loan Account in the Loan Fund to NYCHA the amount of Net Loan Proceeds so requisitioned for the NYCHA Program.

As soon as possible after the closing of the financing of each Loan, the Corporation shall transmit to the Trustee a Certificate of an Authorized Officer stating the due dates and amounts of scheduled payments of principal and interest thereon and the principal balance remaining after each payment.

(C) At any time the Corporation may direct the Trustee to apply amounts in the Loan Fund to the redemption, purchase or retirement of Bonds in accordance with their terms (any such application to require HUD approval to the extent the terms of such redemption, purchase or retirement require HUD consent) and the provisions of Article VI and any Supplemental Indenture.

Section 5.4. Revenue Fund. (A) Pursuant to each Loan Agreement, the Trustee shall receive for deposit in the Revenue Fund, from or on account of NYCHA, those moneys agreed to by HUD (pursuant to the HUD Letter and the Capital Fund Financing Amendment), the Corporation and NYCHA. Such moneys shall, upon receipt, be credited by the Trustee to the Revenue Fund and constitute Revenues under this Indenture. The Trustee shall promptly notify the Corporation in the event there is a failure to receive from HUD or from NYCHA when due the full amount set forth in each Loan Agreement. All amounts so received shall be deposited in the Revenue Fund.

(B) Promptly upon receipt of amounts in the Revenue Fund, the Trustee shall make disbursements from the Revenue Fund, in the following order of priority, except as otherwise provided in a Supplemental Indenture:

(1) first, to the Debt Service Fund, the amount necessary to make the payments required pursuant to Section 5.5(A), and subject to the limitations contained in Section 5.5(B) below, on the next succeeding Bond Payment Date,

(2) second, to the Debt Service Reserve Fund in the amount required to bring the balance therein (taking into account the full drawable amount on all Cash Equivalents deposited therein) to equal the Debt Service Reserve Requirement;
third, to the Debt Service Fund, to be applied to the redemption of Bonds, (a) amounts representing Capital Fund Grant Monies delivered by NYCHA to pay the Redemption Price of Bonds being called for redemption pursuant to the special optional redemption provisions of a Supplemental Indenture, and (b) the proceeds of insurance or condemnation not applied to restoration of public housing units of NYCHA following casualty loss or condemnation;

fourth, to the Corporation in the amount included in a written requisition from the Corporation in payment of any one or more components of the Loan Expense Fee,

fifth, to the Subordinate Obligation Debt Service Fund an amount, if any, equal to the amount required by any Supplemental Indenture authorizing the issuance or incurrence of Subordinate Obligations to be deposited therein on such date and without priority, one over the other, to any accounts within the Subordinate Obligation Debt Service Fund, as specified by a Certificate filed with the Trustee;

sixth, to the Rebate Fund, the balance; provided, that to the extent set forth in a Certificate accompanied by a Bond Counsel's Opinion to the effect that any such transfer shall not adversely affect the exclusion of interest on the Bonds from federal income taxation, to the Loan Fund, the balance.

Whenever so directed in a Certificate, the Trustee shall make payments from the Rebate Fund to the federal government in accordance with the Code to the extent necessary to comply with the Corporation's covenants in Section 7.6, and to comply with any Tax Certificate signed by an Authorized Officer and delivered in conjunction with the delivery of any Series of the Bonds.

Section 5.5. Debt Service Fund. Except as otherwise provided in a Supplemental Indenture, the Trustee shall make disbursements from the Debt Service Fund as follows:

(A) On each Bond Payment Date, amounts sufficient for the following payments and in the following order of priority:

(1) first, to the Paying Agent the interest due on Outstanding Senior Obligations on such Bond Payment Date, and

(2) second, to the Paying Agent the amount required for payment of the principal or Redemption Price of Senior Obligations due (whether by maturity or redemption) or called for redemption on such Bond Payment Date.

(B) Notwithstanding the provisions of this Section, no payments shall be required to be made into the Debt Service Fund so long as the amount on deposit therein shall be sufficient to pay the final maturing Outstanding Senior Obligations in accordance with their terms, including the payment of any Sinking Fund Payments payable in connection therewith.
(C) As soon as practicable after the sixtieth day preceding the due date of any Sinking Fund Payment, the Trustee shall proceed to call for redemption pursuant to Section 6.3, on such due date, Bonds of the Series and maturity for which such Sinking Fund Payment was established in such amount as shall be necessary to complete the retirement of a principal amount of the Bonds of such maturity equal to the required unsatisfied balance of such Sinking Fund Payment.

(D) Upon the purchase or redemption of Bonds for which Sinking Fund Payments have been established, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due. If, however, there shall be filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Payments upon any such purchase or redemption of Bonds, then such Sinking Fund Payment shall be credited as shall be provided in such instructions. After any such crediting, HUD shall be notified by the Corporation or by NYCHA in writing of a new debt service schedule for the Bonds at least sixty (60) days prior to the next date on which HUD is scheduled to pay Capital Fund Grant Monies to the Trustee for Loan Debt Service.

(E) Any earnings derived from the investment of amounts deposited with the Trustee pursuant to Section 2.6 shall, to the extent not required to provide amounts sufficient for the payment or redemption of Bonds in accordance with the conditions for issuance of Refunding Bonds set forth in said Section, be deposited in the Debt Service Fund.

Section 5.6. Costs of Issuance Fund. The Corporation hereby creates and establishes a Costs of Issuance Fund, which funds shall not be a part of the Trust Estate. That portion of the proceeds of a Series of Bonds that is deposited into the Costs of Issuance Fund shall be available for disbursement to pay Costs of Issuance relating to such Series against receipt of a Certificate of an Authorized Officer. In connection with the issuance of any particular Series, the Corporation may direct the underwriters of such Series to deduct their compensation from the offering price, such that only the net purchase price is deposited with the Trustee for application to the appropriate Accounts in accordance with this Indenture.

Section 5.7. Subordinate Obligation Debt Service Fund. The moneys in the Subordinate Obligation Debt Service Fund shall be transferred by the Trustee as provided in a Certificate to the trustees or paying agents under the appropriate Supplemental Indenture or other indentures or resolutions authorizing the issuance of Subordinate Obligations for the purpose of paying such amounts as may be required to be paid by such indentures or resolutions.

Section 5.8. Debt Service Reserve Fund. (a) Amounts required to be on deposit in the Debt Service Reserve Fund may be represented by cash and/or Cash Equivalents. Upon written direction from an Authorized Officer, any cash or Cash Equivalents deposited in the Debt Service Reserve Fund may be substituted for in whole or in part with an equal amount of Cash Equivalents or cash, respectively. Moneys (first, from cash and the proceeds of liquidation of investments, and, second, from proceeds of Cash Equivalents) held for the credit of the Debt Service Reserve Fund shall be transferred to the Debt Service Fund whenever amounts are required to be so deposited in the Debt Service Fund to provide for the payments required to be made therefrom pursuant to Section 5.5.
(b) Moneys (excluding any Cash Equivalents) held for the credit of the Debt Service Reserve Fund as of any Principal Payment Date or Interest Payment Date on Senior Obligations which represent the amount on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement established for a Series of Bonds, after payment of principal of and interest on the Bonds of such Series due on such date, shall be transferred to the credit of the Loan Fund until no Bonds of such Series shall be Outstanding, and then, first, to the payment of Loan Debt Service and, second, to NYCHA for application in accordance with the Capital Fund Program.

(c) A Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Requirement with respect to such Series of Bonds is to be funded by Cash Equivalents. Whenever this Indenture shall refer to "moneys" on deposit to the credit of the Debt Service Reserve Fund, "moneys" shall be deemed to include said Cash Equivalents and such Cash Equivalents shall be valued on each applicable date, for purposes of the Debt Service Reserve Requirement, at the full amount drawable thereunder as of such date.

Section 5.9. Deposits. (a) In order to permit amounts held by the Trustee under this Indenture to be available for use at the time when needed, any such amounts may, if and as directed by the Corporation, be deposited in the corporate trust department of the Trustee which may honor checks and drafts on such deposit with the same force and effect as if it were not the Trustee. The Trustee shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

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

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

Section 5.10. Investment of Certain Funds. (A) Subject to the right of the Corporation to direct the investment or deposit of funds hereunder (after consultation with NYCHA, and with the intent of maximizing returns, taking into consideration HUD investment guidelines and the General Depository Agreement (HUD Form 51999) dated as of the date hereof by and between NYCHA and the Trustee, Corporation investment guidelines, and Federal tax requirements) and except as specifically otherwise provided for herein, moneys in any Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee in the highest yield Investment Securities that may be reasonably known to the Trustee,
or deposited and redeposited as provided in Section 5.9, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Corporation may (except as provided below) direct the Trustee in writing to, or in the absence of direction, the Trustee shall, invest and reinvest the moneys in any Account in Investment Securities so that the maturity date or date of redemption at the option of the owner thereof shall be equal to the lesser of (i) six (6) months or (ii) the dates that coincide as nearly as practicable with (but in no event later than) the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee, and shall be deemed at all times to be part of such Account, and the Trustee shall keep the Corporation advised as to the details of all such investments upon any request therefor.

(B) Investment Securities purchased as an investment of moneys in any Account held by the Trustee under the provisions of this Indenture shall be deemed at all times to be a part of such Account but the income or interest earned and gains realized in excess of losses suffered by an Account due to the investment thereof shall, except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, be deposited in the Revenue Account or shall be credited as Revenues to the Revenue Account from time to time and reinvested.

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

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

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

(F) The Trustee shall not be responsible for any loss realized from the purchase or sale of any Investment Security.

Section 5.11. Valuation and Sale of Investments. (A) In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at amortized value or if purchased at par, at par.

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

Section 5.12. *Temporary Funds.* (A) The Trustee shall establish such Temporary Funds as may be required from time to time by a Supplemental Indenture.

(B) Unless otherwise provided in a Supplemental Indenture, all moneys held in any Temporary Fund shall be subject to the lien effected and established by the Granting Clause of this Indenture.

Section 5.13. *Disposition of Unclaimed Funds.* Amounts held by the Trustee for the payment of principal or Redemption Price of, or interest on, Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or if there shall be no such applicable law, shall be returned to NYCHA three years after the date on which payment of such amounts would have been due and set aside and held solely for the payment of such principal or Redemption Price of, or interest on, such Bonds.

**ARTICLE VI**

**Redemption of Bonds**

Section 6.1. *Privilege of Redemption and Redemption Price.* Bonds subject to redemption prior to maturity shall be redeemable, upon notice as provided in this Article, at such times, at such Redemption Prices and upon such other terms as may be specified in this Indenture, in the Bonds and in the respective Supplemental Indenture authorizing the issuance of such Bonds. In the event of any conflict between the redemption provisions of any such Supplemental Indenture and the provisions of this Article VI, the provisions of the Supplemental Indenture shall control.

Section 6.2. *Redemption at the Election or Direction of the Corporation.* In the case of any redemption of Bonds other than as provided in Section 6.3, the Corporation shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the principal amounts of the Bonds of such Series and maturities to be redeemed (which Redemption Date, Series, maturities and principal amounts thereof to be redeemed shall be determined by the Corporation after consultation with and as directed by NYCHA, subject to any limitations with respect thereto contained in or permitted by this Indenture or any Supplemental Indenture), of any conditions to such redemption, and of any moneys to be applied to the payment of the Redemption Price. Except as set forth in a Supplemental Indenture, such notice shall be given not less than forty-five (45) days prior to the Redemption Date or such lesser period of time acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 6.5, the Trustee, if it holds the moneys to be applied to the payment of the Redemption Price, or otherwise the Corporation, and if any conditions to such redemption shall have been satisfied, shall prior to the Redemption Date, pay or cause to be paid to the appropriate Paying Agent or Paying Agents an amount that, in addition to other moneys, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, together with accrued but unpaid interest to
the Redemption Date, all the Bonds to be redeemed. The Corporation shall promptly notify the
Trustee in writing of all such payments made by the Corporation to a Paying Agent.

Section 6.3. Redemption Otherwise Than at Corporation’s Election or
Direction. Whenever by the terms of this Indenture, the Trustee is required to redeem Bonds
otherwise than at the election or direction of the Corporation, and subject to and in accordance
with the terms of this Article and, to the extent applicable, Article V, the Trustee shall select the
Redemption Date of the Bonds to be redeemed, give the notice of redemption and pay the
Redemption Price to the appropriate Paying Agents.

Section 6.4. Selection of Bonds to Be Redeemed. In the event of redemption of
less than all the Outstanding Bonds of like Series, priority and maturity, the Trustee shall assign
to each such Outstanding Bond a distinctive number for each minimum denomination of the
principal amount thereof so as to distinguish each such minimum denomination from each other
portion of the Bonds subject to such redemption. The Trustee shall select by lot, using such
method of selection it shall deem proper in its sole discretion, from the numbers of all such
Bonds then Outstanding of such maturity, as many numbers as, at the minimum denomination
for each number, shall equal the principal amounts of such Bonds to be redeemed. The Bonds to
be redeemed shall be the Bonds to which were assigned numbers so selected; but only so much
of the principal amount of each such Bonds of a denomination of more than the minimum
denomination shall be redeemed as shall equal the minimum denomination for each number
assigned to it and so selected. For the purposes of this Section, Bonds which have theretofore
been selected by lot for redemption shall not be deemed Outstanding.

Any integral multiple of a minimum denomination may, if so specified by the
provisions of a Supplemental Indenture, be utilized in connection with the partial redemption of
Bonds issued pursuant to such Supplemental Indenture and such Bonds shall be subject to
selection for redemption in the amount of such multiple but otherwise in accordance with this
Section.

Section 6.5. Notice of Redemption. When the Trustee shall receive notice from
the Corporation of its election or direction to redeem Bonds pursuant to Section 6.2 and when
redemption of Bonds is required by this Indenture pursuant to Section 6.3, the Trustee shall give
notice, in the name of the Corporation, of the redemption of such Bonds. Such notice shall
specify the Series, maturities of the Bonds to be redeemed, the Redemption Date, any conditions
precedent to such redemption and the place or places where amounts due upon such redemption
will be payable and, if less than all the Bonds of any like maturity are to be redeemed, the letters
and numbers or other distinguishing marks of such Bonds to be redeemed and, in the case of
Bonds to be redeemed in part only, such notice shall also specify the respective portions of the
principal amount thereof to be redeemed. Such notice shall further state that on such date,
assuming the satisfaction of all conditions precedent to such redemption, there shall become due
and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption
Price of the specified portions of the principal thereof in the case of registered Bonds to be
redeemed in part only, together with interest accrued to the Redemption Date, and that from and
after such date interest thereon shall cease to accrue and be payable. Except as otherwise
provided in a Supplemental Indenture, Such notice shall be given by first class mail or registered
or certified mail, return receipt requested (such delivery method to be determined by the
Trustee), not less than thirty (30) days before the Redemption Date, to the registered Owners of any Bonds or portions of Bonds that are to be redeemed, at their last addresses, if any, appearing upon the registry books, but failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds with respect to which no such failure occurred. With respect to Book Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. Upon direction in writing by the Corporation, further notice shall be given by the Trustee in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

In addition to the foregoing, the redemption notice shall contain with respect to each Bond being redeemed, (1) the date of issue, (2) the interest rate, (3) the maturity date, and (4) any other descriptive information determined by the Trustee to be needed to identify the Bonds. If a redemption is a Conditional Redemption as permitted by Section 6.8, the notice shall so state. The Trustee shall also send each notice of redemption at least thirty (30) days before the redemption date to (A) any Rating Service then rating the Bonds to be redeemed; (B) all of the registered clearing agencies known to the Trustee to be in the business of holding substantial amounts of bonds of a type similar to the Bonds; and (C) one or more national information services that disseminate notices of redemption of bonds such as the Bonds.

Section 6.6. Payment of Redeemed Bonds. Notice having been given by mail in the manner provided in Section 6.5, and all conditions precedent to redemption having been met, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be called for redemption less than the entire principal amount of a Bond, the Corporation shall execute, the Authenticating Agent shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the Owner, Bonds of like Series, priority and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been mailed as aforesaid, and all conditions precedent to redemption shall have been met, then, from and after the Redemption Date, interest on the Bonds or portions thereof of such Series and maturities so called for redemption shall cease to accrue and become payable. If said moneys shall not be available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Copies of all notices given pursuant to this Section shall be sent by the Trustee to HUD.

Section 6.7. Purchase at Any Time. The Trustee, upon the written request of the Corporation, shall purchase Bonds as specified by the Corporation in the open market at a price not exceeding a price set by Corporation. Such purchase of Bonds shall be made with
funds provided by the Corporation and not with any portion of the Trust Estate or any Defeasance Obligations. Upon purchase by the Trustee, such Bonds shall be treated as delivered for cancellation. Nothing in this Indenture shall prevent the Corporation from purchasing Bonds on the open market without the involvement of the Trustee and delivering such Bonds to the Trustee for cancellation. Bonds purchased pursuant to this Section that are subject to a mandatory sinking fund redemption schedule established in the Supplemental Indenture pursuant to which they were authorized may be credited against future mandatory sinking fund redemption payments in accordance with Section 5.5(D). The principal amount of Bonds to be redeemed by optional redemption under this Indenture may be reduced by the principal amount of Bonds purchased by the Corporation and delivered to the Trustee for cancellation at least forty-five (45) days prior to the redemption date.

Section 6.8. Conditional Redemption. Each Supplemental Indenture authorizing a Series of Bonds may provide that one or more of the redemption provisions applicable to such Series will be conditional upon the occurrence of any event including, but not limited to, receipt by the Trustee of sufficient funds on the applicable redemption date, and in any such event the notice of redemption shall advise that it is so conditioned. The Corporation shall provide prompt written notice to the Trustee if the Corporation determines that conditions to any redemption will not be met.

ARTICLE VII

Covenants of the Corporation

The Corporation covenants and agrees with the Trustee and the Owners of Senior Obligations as follows:

Section 7.1. Payment of Senior Obligations. The Corporation will punctually pay or cause to be paid, solely from Revenues, all Senior Obligations at the places, on the dates and in strict conformity with the terms of this Indenture, the Bonds and any instrument creating such Senior Obligations, according to the true intent and meaning thereof.

Section 7.2. Extension of Payment of Senior Obligations. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Senior Obligations or the time of payment of any claims for interest. In the event that the maturity of any of the Senior Obligations or the time for payment of any claims for interest shall be extended, such Senior Obligations or claims for interest shall not be entitled to the benefit of this Indenture or to any payment out of the Accounts established pursuant to this Indenture, including the investments, if any, thereof, or out of any assets or revenues pledged hereunder prior to benefits accorded to or the payment of the principal of all Senior Obligations the maturity of which has not been extended and of such portion of the accrued interest on the Senior Obligations as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of the maturity of any Senior Obligations.

Section 7.3. Offices for Servicing Bonds. The Corporation shall at all times maintain an office or agency where Bonds may be presented for registration, registration of
transfer or exchange and where notices, presentations and demands upon the Corporation in respect of the Bonds or of this Indenture may be served. The Corporation shall at all times maintain an office or agency in the Borough of Manhattan, City and State of New York where the Bonds may be presented for payment. The Corporation hereby appoints the Trustee as its agent to maintain such office or agency for the registration, registration of transfer or exchange of Bonds, and for the service of such notices, presentations and demands upon the Corporation.

Section 7.4. Power to Incur Senior Obligations and Pledge Revenues. The Corporation represents that it is duly authorized under all applicable laws to incur the Senior Obligations and to execute and deliver this Indenture and to pledge the Revenues and other moneys, securities, funds, rights and interests purported to be pledged by this Indenture in the manner and to the extent provided in this Indenture. The Senior Obligations and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Indenture.

Section 7.5. Further Assurance. The Corporation will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further funds, accounts, instruments and transfers as the Trustee may reasonably require for the better assuring, pledging and confirming to the Trustee all and singular the Revenues and the other amounts and rights and interests pledged to the Owners of Senior Obligations under this Indenture.

Section 7.6. Tax Covenants. (A) The Corporation shall at all times do and perform all acts and things necessary or desirable and shall refrain from such acts as shall be necessary in order to assure that interest paid on the Bonds, other than Federally Taxable Bonds, shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof under provisions of the Code.

(B) The Corporation shall comply with all requirements of any Tax Certificate executed and delivered by an Authorized Officer in connection with a Series of Bonds, unless the Corporation has received a Bond Counsel’s Opinion to the effect that such compliance is no longer necessary in order to assure that interest paid on such Series of Bonds is excludable from the gross income of the recipients thereof.

(C) To the extent set forth in any Tax Certificate, the Corporation shall cause the Trustee to make rebate payments to the U.S. Treasury from amounts held in the Rebate Fund.

Section 7.7. Budget and Collection of Revenues. (A) Each Loan Agreement shall require NYCHA to budget from amounts to be received by NYCHA pursuant to the Capital Fund Program in each fiscal year of NYCHA amounts sufficient to pay all Senior Obligations when due and all Loan Debt Service when due, and further to agree not to budget, requisition from HUD or expend amounts to be received pursuant to the Capital Fund Program in any fiscal year of NYCHA if the effect of such budget, requisition or expenditure would be to reduce the amount of Revenues to be received by NYCHA pursuant to the Capital Fund Program for such fiscal year below the amount needed, or materially adversely affect the availability of Revenues at the times required, to pay all Senior Obligations when due and all Loan Debt Service when
due. Each Loan Agreement shall require NYCHA to agree to include such budgeted amount in its annual financial plan submitted to HUD.

(B) Each Loan Agreement shall require NYCHA to execute and deliver and present to HUD for execution and delivery a Capital Fund Financing Amendment, which directs HUD to pay directly to the Trustee from Capital Fund Program moneys available to NYCHA in the amount necessary to pay Loan Debt Service, and to execute separate Annual Financing Amendments (as defined in the Loan Agreement) to authorize such payments. Amounts to be paid by HUD shall be requested to be paid to the Trustee no earlier than three (3) Business Days and no later than one (1) Business Day before each Bond Payment Date.

(C) The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners of Senior Obligations under this Indenture against all claims and demands. From and after the sale and delivery of any of the Bonds of the Corporation, the Bonds shall be incontestable by the Corporation.

Section 7.8. Issuance of Additional Bonds. (A) The Corporation shall not hereafter create or permit the creation of or issue any additional Series of Bonds that will be secured by a charge or lien on the Revenues and assets pledged hereunder, except that additional Series of Bonds may be issued from time to time, subject to the provisions of Section 7.8(B), subsequent to the issuance of the initial two Series of Bonds under this Indenture, on a parity with the Bonds of such initial two Series of Bonds and secured by an equal charge and lien on the Revenues and assets pledged hereunder and payable equally therefrom, and may be entered into from time to time with the priority and secured as provided herein.

(B) No additional Series of Bonds shall be issued subsequent to the issuance of the initial two Series of Bonds under this Indenture unless:

1. the principal amount of the Additional Bonds then to be issued, together with the principal amount of bonds, notes and other obligations theretofore issued pursuant to applicable law, will not exceed in aggregate principal amount any limitation thereon imposed by law;

2. prior to the issuance and delivery of any such additional Bonds, the Corporation shall file with the Trustee:

   (a) the written approval by HUD of the issuance of such Additional Bonds,

   (b) a Certificate demonstrating that the lesser of (y) the Capital Fund Grant Monies received by NYCHA in the immediately preceding Federal fiscal year and (z) the average annual amount of Capital Fund Grant Monies received by NYCHA, as evidenced by Annual Capital Fund ACC Amendments between NYCHA and HUD under the Capital Fund Program in the three Federal fiscal years immediately preceding the issuance of the Additional Bonds, equals or exceeds an amount equal to three (3) times the aggregate annual Loan Debt
Service, determined in reference to all Loans outstanding and the additional Loan or Loans proposed to be made, and

(c) the written consent of each Bond Insurer, and advice from the Rating Agencies that such action will not have an adverse effect on the then-current ratings of the Bonds Outstanding;

(3) the provisions of Section 2.4, 2.5 or 2.6, as applicable, shall have been complied with as of the date of delivery of such Series;

(4) at the time of issuance of such Additional Bonds, the Corporation shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture except, in the case of Refunding Bonds, if the initial application of the proceeds of such Bonds shall cure such default; and

(5) NYCHA is not in default under any Loan Agreement.

The Corporation agrees to provide 30 days’ prior written notice to each of the Rating Agencies of the issuance of additional Bonds pursuant to this Section 7.8(B). Such notice shall generally describe the additional Bonds proposed to be issued.

(C) The Corporation hereby expressly reserves the right to enter into one or more additional trust indentures for its purposes, including purposes relating to the Program, and reserves the right to issue other obligations not secured by the Trust Estate for such purposes.

Section 7.9. Compliance with Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts and things required by law or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, or will have happened or been performed, and such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by law.

Section 7.10. General. The Corporation shall do and perform, or cause to be done and performed, all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of the Act and this Indenture.

Section 7.11. Against Encumbrances; Subordinate Obligations. The Corporation will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Revenues or the moneys, securities or funds held or set aside by the Corporation or by the Trustee under this Indenture, except only as provided in or permitted by this Indenture. Except as provided in or permitted by this Indenture, the Corporation shall not issue any bonds, notes or other evidences of borrowing, other than the Senior Obligations, secured by a pledge of the Revenues and other revenues and moneys pledged or held aside by the Corporation or by a Fiduciary under this Indenture, and shall not create or cause to be created any lien or charge on the Revenues and moneys equal or superior to the lien created by the Granting Clause of this Indenture.
Section 7.12. **Compliance with Indenture.** The Corporation will not issue or incur, or permit to be issued or incurred, any Senior Obligations in any manner other than in accordance with the provisions of this Indenture, and will not suffer or permit any default to occur under this Indenture, but will faithfully observe and perform all the covenants, conditions and requirements hereof. The Corporation, for itself, its successors and assigns, represents, covenants and agrees with the Owners of Senior Obligations that, as long as any of the Senior Obligations shall remain Outstanding and the principal or Redemption Price thereof or interest thereon shall be unpaid or not provided for, it will faithfully perform all of the covenants and agreements contained in this Indenture, the Bonds and each agreement creating such Senior Obligations.

Section 7.13. **Alteration of Rights of Owners of Senior Obligations.** Except as otherwise provided in Section 9.2, no limitations or alterations of the rights vested in the Corporation to fulfill the terms of this Indenture, and no impairment of the rights and remedies of the Owners of Senior Obligations shall be made, until the Senior Obligations, together with the interest thereon and interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of those Owners of Senior Obligations, are fully met and discharged.

**ARTICLE VIII**

**Supplemental Indentures**

Section 8.1. **Supplemental Indentures Not Requiring the Consent of Owners of Bonds.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture not requiring the consent of Owners of Bonds may be executed by the Corporation and the Trustee for the following purposes:

1. to close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of additional Series of Bonds or the incurrence of other Senior Obligations;

2. to add to the covenants and agreements of the Corporation in this Indenture other covenants and agreements to be observed by the Corporation that are not contrary to or inconsistent with this Indenture as theretofore in effect;

3. to add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Corporation that are not contrary to or inconsistent with this Indenture as theretofore in effect;

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

5. to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture of the Trust Estate;
(6) to modify any of the provisions of this Indenture in any respect whatsoever, but only if (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds issued after the date of the execution and delivery of such Supplemental Indenture;

(7) to authorize the issuance of one or more Series of Bonds, and to prescribe the terms and conditions upon which such Bonds may be issued or incurred;

(8) to create additional special trust accounts for the further securing of all Bonds issued pursuant to this Indenture if together with such Supplemental Indenture there is filed a Bond Counsel's Opinion to the effect that the creation and operation of such account will in no way impair the existing security of the Holder of any Outstanding Senior Obligation;

(9) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Indenture;

(10) to provide for additional duties of the Trustee and other Fiduciaries;

(11) to satisfy the requirements of a Rating Agency in order to obtain, maintain or improve the rating on any of the Bonds;

(12) to provide for the orderly sale of Bonds;

(13) in connection with the issuance of Bonds other than the initial Series of Bonds, to provide for the making of Loans, and the disbursement of amounts from the Accounts in connection with such Loans, to persons other than NYCHA, pursuant to Loan Agreements among such persons, the Corporation, the Trustee and NYCHA, in each case for the benefit of mixed-use privately-owned housing developments involving NYCHA sponsorship or participation;

(14) to make any other change that is not to the prejudice of the Trustee or Holders of the Senior Obligations and that, in the judgment of the Trustee acting in reliance on a Bond Counsel's Opinion, is necessary or desirable to maintain the tax exempt status of the Bonds (other than Federally Taxable Bonds);

(15) to make any change that, in the judgment of the Trustee, is not materially adverse to the interests of the Trustee or the Owners of Senior Obligations; or

(16) to make any change that has been submitted to and reviewed by each Rating Agency and for which each Rating Agency shall have confirmed in writing that such change will not itself result in the withdrawal or lowering of the rating on any Outstanding Bonds, without taking into account ratings based upon the coverage of any Bond Insurance Policy.
Section 8.2. **Supplemental Indentures Effective upon Consent of Owners of Bonds.** At any time or from time to time, a Supplemental Indenture may be executed by the Corporation and the Trustee subject to consent by Owners of Bonds in accordance with and subject to the provisions of Article IX. Any such Supplemental Indenture shall become fully effective in accordance with its terms upon the execution thereof by the Corporation and the Trustee and upon compliance with the provisions of Article IX.

Section 8.3. **General Provisions.** (A) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article IX. Nothing in this Article or Article IX contained herein shall affect or limit the right or obligation of the Corporation to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.5 or the right or obligation of the Corporation to execute and deliver to any Fiduciary any instrument that is to be delivered to said Fiduciary pursuant to this Indenture.

(B) Any Supplemental Indenture permitted or authorized by Section 8.1 may be executed by the Corporation and the Trustee without the consent of any of the Owners of Bonds, but shall become effective only on the conditions, to the extent and at the time provided in said Section. The copy of every Supplemental Indenture delivered to the Trustee shall be accompanied by a Bond Counsel’s Opinion stating that such Supplemental Indenture has been duly and lawfully executed by the Corporation in accordance with the provisions of this Indenture and the Act, is authorized or permitted by this Indenture and the Act, assuming due authorization, execution and delivery by the other parties thereto, is valid and binding upon the Corporation, and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(C) The Trustee is hereby authorized to accept the delivery of any Supplemental Indenture referred to and permitted or authorized by Section 8.1 or 8.2 and to make all further agreements and stipulations that may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel’s Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(D) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

(E) No Supplemental Indenture shall be effective, other than a Supplemental Indenture authorizing the issuance of Additional Bonds pursuant to Section 7.8, until the Trustee receives written confirmation from each Rating Agency that the execution and delivery of such Supplemental Indenture will not itself adversely affect the rating on any Outstanding Bonds.

(F) No Supplemental Indenture shall be effective without the prior written consent of HUD and each Bond Insurer.
ARTICLE IX

Amendments

Section 9.1. Mailing of Notice of Amendment. Any provision of this Article for the mailing of a notice or other paper to Owners of Bonds shall be fully complied with if it is mailed by first class mail, postage prepaid (i) to each registered Owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Corporation, (ii) to each Bond Insurer and (iii) to the Trustee.

Section 9.2. Powers of Amendment. Except as provided in Article VIII hereof, any modification of or amendment to this Indenture and of the rights and obligations of the Corporation or the Owner of any Senior Obligation under a Supplemental Indenture, may be made by a Supplemental Indenture consented to by the Bond Insurers and, in the event such Supplemental Indenture shall be executed pursuant to Section 8.2, with the written consent given as provided in Section 9.3 (i) of the Owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the Owners of 100% in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given. If any such modification or amendment will not take effect so long as any Bonds of any specified maturity remain Outstanding however, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. Notwithstanding the foregoing, no modification or amendment contained in any such supplemental indenture shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (a) a change in the terms of stated maturity or redemption of any Bond or of any installment of interest thereon; (b) a reduction in the principal amount of or redemption premium on any Bond or in the rate of interest thereon or a change in the coin or currency in which such Bond is payable; (c) the creation of a lien on or a pledge of any part of the Trust Estate, or the money or assets pledged under this Indenture or any part thereof; (d) the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; (e) a reduction in the aggregate principal amount of Bonds of which the consent of the Bondholders is required to effect any such modification or amendment; or (f) a change in the provisions of Section 10.10. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments that have not been extended have first been paid in full. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its sole discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all Owners of Bonds.
Section 9.3. Consent of Owners of Bonds. (A) A copy of any Supplemental Indenture making a modification or amendment that is not permitted by the provisions of Section 8.1 (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Owners of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Registrar on behalf of the Corporation to the Owners of Bonds to be affected by such proposed amendment or modification. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the Bond Insurers and the Owners of the percentages of Outstanding Bonds specified in Section 9.2, and (b) a Bond Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully approved by the Corporation in accordance with the provisions of this Indenture, is authorized or permitted hereby and, assuming due authorization, execution and delivery by the other parties thereto, is valid and binding upon the Corporation, and (ii) a notice shall have been delivered as hereinafter provided in this Section.

(B) The consent of an Owner of a Bond to any modification or amendment shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.4. A certificate by the Trustee (a copy of which shall be retained by the Trustee) that it has examined such proof and that such proof is sufficient in accordance with such Section 13.4 shall be conclusive that the consents have been given by the Owners of the Bonds described in such Certificate of the Trustee. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing with the Trustee, at least three (3) Business Days prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 13.4. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee (a copy of which shall be retained by the Trustee) to the effect that no revocation thereof is on file with the Trustee.

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

Notwithstanding anything else herein, if a supplemental indenture is to become effective under Section 8.2 on the same date as the date of issuance of Additional Bonds, the consents of the underwriters or purchasers of such Additional Bonds shall be counted for purposes of Section 8.2 and this Section.

Section 9.4. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Corporation and of the Owners of the Bonds hereunder may be modified or amended in any respect upon the execution by the Corporation and the Trustee of a Supplemental Indenture and the consent of the Bond Insurers and the Owners of all the Bonds then Outstanding, such consent to be given as provided in Section 9.3, but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders. No notice of any such modification, amendment, assent or publication thereof shall be required.

Section 9.5. Exclusion of Bonds. Bonds owned or held by or for the account of the Corporation shall not be deemed outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article IX. At the time of any consent or other action taken under this Article, the Corporation shall furnish the Trustee a Certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 9.6. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article VIII or this Article IX may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Bonds at such effective date and presentation of such Bonds for such purpose at the Designated Corporate Trust Office of the Trustee or upon any transfer or exchange of any Bonds Outstanding at such effective date, suitable notation shall be made on such Bonds or upon any Bonds issued upon any such transfer or exchange by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds modified to conform to such action in the opinion of the Trustee and the Corporation shall be prepared, executed, authenticated and delivered, and upon demand of the Owner of any Bonds then Outstanding shall be exchanged, without cost to such Bondholder, upon surrender of such Outstanding Bonds.

Section 9.7. Amendments to Loan Agreements. At any time or from time to time, but subject to the further written approval of HUD and the Bond Insurers and confirmation
that any such amendment will not adversely affect the then current rating of the Bonds by the Rating Agencies, an amendment or supplement to one or more Loan Agreements may be executed by the Corporation and the Trustee in accordance with the terms of the applicable Loan Agreement, provided, however, that if the Trustee determines that any such modification or amendment would have a material adverse effect on the Owner of any Bond, such modification or amendment may only be made with the consent of the Owners of a majority in principal amount of the Bonds so affected at the time such consent is given.

ARTICLE X

Defaults and Remedies

Section 10.1. Events of Default. (A) Each of the following events is an “Event of Default”:

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

(2) payment of any installment of interest on any of the Bonds shall not be made when and as the same shall become due;

(3) if bankruptcy, reorganization, arrangement, receivership, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by NYCHA (other than (i) such proceedings instituted by NYCHA against other parties and (ii) NYCHA being placed into a management receivership sought or imposed by or in cooperation with HUD);

(4) the Corporation shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any Supplemental Indenture or the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Owners of not less than 25% in principal amount of the Outstanding Bonds; provided that the Trustee or such Owners of not less than 25% in principal amount of the Outstanding Bonds shall not provide written notice to the Corporation pursuant to this Section 10.1(A)(4) of any such failure, refusal or default until and after the Trustee has complied with the provisions of Section 10.1(B); or

(5) with respect to any Series of Bonds, the occurrence of any Event of Default pursuant to the Supplemental Indenture authorizing such Series.

(B) The Trustee shall not give the written notice referred to in Section 10.1(A)(4) unless or until (i) the Corporation has been advised by the Trustee that the Trustee believes that a reasonable basis exists to issue such written notice; (ii) a period of ten (10) Business Days has expired after receipt by the Corporation of such advice, during which period the Corporation shall have the opportunity to contest the basis for such written notice; and (iii)
the Trustee has provided the Corporation with written confirmation that the Trustee disagrees with the Corporation’s position on the matter in question.

Section 10.2. Remedies. (A) Upon the happening and continuance of any Event of Default specified in paragraphs (1), (2) and (3) of Section 10.1(A), the Trustee shall promptly notify the Corporation and each Fiduciary of the existence of such Event of Default and shall proceed, or upon the happening and continuance of any Event of Default specified in paragraphs (4) and (5) of Section 10.1(A), the Trustee shall promptly notify the Corporation and each Fiduciary of the existence of such Event of Default and may proceed (and, upon the written request of the Owners of not less than 25% in principal amount of the Outstanding Bonds and with respect to an Event of Default specified in paragraph (4) of Section 10.1(A), shall proceed) in its own name, subject to the provisions of Article XI, to protect and enforce the rights of the Owners of the Senior Obligations by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of Senior Obligations, including the right to require the Corporation to carry out the covenants and agreements contained herein, and to require the Corporation to carry out any other covenants or agreements with Owners of Senior Obligations and to perform its duties as prescribed by law;

(2) by bringing suit upon the Senior Obligations;

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

(4) by action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the rights of the Owners of Senior Obligations.

(B) In the enforcement of any rights and remedies under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Corporation for principal, interest or otherwise, under any provisions of this Indenture or a Supplemental Indenture or of the Senior Obligations, with, to the extent permitted by law, interest on overdue payments at the rate of interest specified in such Senior Obligations, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Senior Obligations, without prejudice to any other right or remedy of the Trustee or of the Owners of Senior Obligations, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pretrial, trial and appellate attorney fees), and to collect from the Corporation any moneys adjudged or decreed to be payable.

(C) Upon the occurrence of any Event of Default, and on the filing of suit or other commencement of judicial proceedings to enforce the rights of the Owners of Senior Obligations under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues, pending such proceedings, with such powers as the court making such appointment shall confer.
Section 10.3. **Priority of Payments After Default.** (A) In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal or Redemption Price and interest then due on the Senior Obligations, such funds (other than funds held for the payment of particular Senior Obligations that have theretofore become due at maturity) and any other amounts received by the Trustee acting pursuant to this Article, after providing for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Owners of Senior Obligations and for the payment of the fees, charges, expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Indenture, shall be applied as follows:

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

**SECOND:** To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Senior Obligations that shall have become due, with interest upon such principal or Redemption Price at the interest rate set forth in such Senior Obligations from the respective dates upon which they shall have become due and payable, and, if the amounts available shall not be sufficient to pay in full all the Senior Obligations due, together with such interest, then to the payment, first of such interest ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(B) So long as no Senior Obligations are Outstanding, to the payment of Subordinate Obligations in accordance with the provisions of the Supplemental Indentures executed in connection with the issuance or incurrence of such Subordinate Obligations.

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

Section 10.4. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Corporation, the Trustee and the Owners of Senior Obligations shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 10.5. Owners of Bonds' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow such direction that in the opinion of the Trustee would be unjustly prejudicial to Owners of Bonds not parties to such direction.

Section 10.6. Limitation on Rights of Owners of Bonds. (A) Except as otherwise specifically provided by Section 10.2(A) or by this Section 10.6, no Bondholder shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Indenture unless such person is an Owner of one or more Bonds then Outstanding, and (1) an Event of Default shall have occurred and is continuing; (2) such Owner previously shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, (3) the Owners of not less than 25% in principal amount of the Bonds then Outstanding, shall have made written request of the Trustee after the right to exercise such powers of right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name, (4) there shall have been offered to the Trustee reasonable security and indemnity against the fees, costs, expenses and liabilities to be incurred therein or thereby, (5) the Trustee shall have refused or neglected to comply with such request within sixty (60) days after its receipt of such written request and offer of indemnity and (6) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of the Bonds then Outstanding; and such notification request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Indenture or for any other remedy hereunder or by law. It is understood and intended that, except as otherwise above provided, no one or more Owners of Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners of Bonds. Nothing contained in this Article X shall affect or impair the absolute and unconditional right of any Owner of a Bond to receive payment of principal of, redemption premium, if any, and interest on the Bonds on and after the due date thereof, and to enforce the payment of the principal of and

53

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interest on its Bonds, or the obligation of the Corporation to pay the principal of and interest on each Bond issued or incurred hereunder, to the Owner thereof at the time and place in said Bond expressed.

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

Section 10.7. Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name.

Section 10.8. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy hereunder shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 10.9. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Owner of a Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein and every power and remedy given by this Indenture to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 10.10. Waiver of Defaults. The holders of a majority in aggregate principal amount of the Outstanding Bonds may, by written notice to the Trustee and with the consent of the Bond Insurers, waive any existing Event of Default and its consequences, except an Event of Default under Section 10.1(A)(1) or (2). Upon any such waiver, the Event of Default shall be deemed cured and shall cease to exist for all purposes. No waiver of any Event of Default shall extend to or effect any subsequent Event of Default or shall impair any right or remedy consequent thereto.
Section 10.11. **Notice of Event of Default.** The Trustee shall give to the Owners of Bonds notice of each Event of Default hereunder known by a trust officer in the corporate trust department of the Trustee within ninety (90) days after actual knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided, that, except in the case of default in the payment of the principal of, Redemption Price or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interest of the Owners of Bonds. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (i) to all Owners of Bonds, as the names and addresses of such Owners appear upon the books for registration and transfer of Bonds as kept by the Trustee, and (ii) to such other persons as is required by law.

Section 10.12. **Further Notices of Event of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default to any Bond Insurer; provided that such notice shall in no event be required to be given prior to the Bondholders receiving notice pursuant to Section 10.11. Such notices shall be given as set forth in the respective instruments creating such Bond Insurance Policy. In addition, the Trustee shall promptly mail written notice to HUD of the occurrence of any Event of Default.

Section 10.13. **Rights of Bond Insurer.** Notwithstanding anything contained in this Indenture to the contrary, but subject to the provisions of any applicable Supplemental Indenture, any Bond Insurer shall be treated as the exclusive Owner of Bonds upon which such Bond Insurer is obligated pursuant to a Bond Insurance Policy, for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds under this Indenture; provided, that the foregoing shall not include the right of Owners to consent to amendments described in the third sentence of Section 9.2 except with respect to Bonds as to which the Bond Insurer shall have paid amounts in respect of principal or interest, and provided, further, that such Bond Insurer shall cease to be so regarded as Owner of such Bonds in the event such Bond Insurer is in default of its obligations under the applicable Bond Insurance Policy.

Section 10.14. **Restoration of Rights and Remedies.** If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture and any such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or such Bondholder, then the Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

**ARTICLE XI**

**The Trustee and the Paying Agents**

Section 11.1. **Duties and Responsibilities of the Trustee.**
(A) Prior to the occurrence of an Event of Default of which it has or is deemed to have notice hereunder, and after the curing or waiver of any Event of Default that may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee that conform to the requirements of this Indenture; but the Trustee is under a duty to examine such certificates and opinions to determine whether they conform to the requirements of this Indenture.

(B) In case an Event of Default of which the Trustee has or is deemed to have notice hereunder has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person’s own affairs.

(C) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (A) of this Section;

(2) the Trustee is not liable for any error of judgment made in good faith by a Authorized Officer, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee is not liable with respect to any action it takes or omits to be taken by it in good faith in accordance with the direction of the Bondholders under any provision of this Indenture relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(D) The Trustee shall maintain records of all investments and disbursements of proceeds in the funds and accounts established pursuant to this Indenture through the date ending six (6) years following the date on which all the Bonds and Additional Bonds have been retired.

(E) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section.
Section 11.2. Certain Rights of the Trustee. Except as otherwise provided in
Section 11.1:

(A) the Trustee may rely and is protected in acting or refraining from acting
upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction,
consent, order, approval, bond, debenture or other paper or document believed by it to be
genuine and to have been signed or presented by the proper party or parties;

(B) whenever in this Indenture the Trustee deems it desirable that a matter be
proved or established prior to taking, suffering or omitting any action hereunder, the Trustee
(unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its
part, rely upon a Certificate;

(C) the Trustee may consult with counsel and the written advice of such
counsel or an opinion of counsel shall be full and complete authorization and protection for any
action taken, suffered or omitted by it in good faith and in accordance with such advice or
opinion;

(D) the Trustee is under no obligation to exercise any of the rights or powers
vested in it by this Indenture at the request or direction of any of the Bondholders unless such
holders have offered to the Trustee security or indemnity satisfactory to the Trustee as to its
terms, coverage, duration, amount and otherwise with respect to the costs, expenses and
liabilities that may be incurred by it in compliance with such request or direction, and the
provision of such indemnity shall be mandatory for any remedy taken upon direction of the
holders of 25% or more in aggregate principal amount of the Bonds;

(E) the Trustee is not required to make any inquiry or investigation into the
facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice,
request, direction, consent, order, approval, bond, debenture or other paper or document but the
Trustee, in its discretion, may make such further inquiry or investigation into such facts or
matters as it may see fit and, if the Trustee determines to make such further inquiry or
investigation, it is entitled to examine the books, records and premises of the Corporation in
person or by agent or attorney;

(F) the Trustee may execute any of its trusts or powers or perform any duties
under this Indenture either directly or by or through agents or attorneys, and may in all cases pay,
subject to reimbursement as provided in Section 11.5, such reasonable compensation as it deems
proper to all such agents and attorneys reasonably employed or retained by it, and the Trustee
shall not be responsible for any misconduct or negligence of any agent or attorney appointed
with due care by it;

(G) the Trustee is not required to take notice or deemed to have notice of any
default or Event of Default hereunder, except Events of Default under Section 10.1(A)(1) and
(2), unless a Authorized Officer of the Trustee has actual knowledge thereof or has received
notice in writing of such default or Event of Default from the Corporation or the holders of at
least 25% in aggregate principal amount of the Outstanding Bonds, and in the absence of any
such notice, the Trustee may conclusively assume that no such default or Event of Default exists;
(H) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(I) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(J) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Indenture and final payment of the Bonds;

(K) the permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so; and

(L) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

Section 11.3. Trustee Not Responsible for Recitals. The recitals contained in this Indenture and in the Bonds (other than the certificate of authentication on the Bonds) are statements of the Corporation and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the security provided by this Indenture or the tax-exempt status of the Bonds. The Trustee is not accountable for the use or application by the Corporation of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or the Agreement.

Section 11.4. Trustee May Not Own Bonds. Without the prior written consent of the Corporation and HUD, and other than pursuant to the express duties of Trustee contained herein, the Trustee, through its trust department, shall not own, hold or deal in any Bonds issued under this Indenture.

Section 11.5. Compensation and Expenses of the Trustee. Unless otherwise provided by contract with the Trustee, the Corporation shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder; provided, however, that such obligations of the Corporation under this Section shall not be secured by a lien on any funds or property held by the Trustee hereunder. The sources of payment of such expenses, charges, legal fees and other disbursements shall be the Loan Expense Fee increment of Loan Debt Service and, to the extent such amounts shall be
insufficient therefor, the obligation of NYCHA to fund such amounts from any available funds of NYCHA (but not from federal funds).

Section 11.6. Qualifications of Trustee. There shall at all times be a trustee hereunder that 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 Indenture. If such institution publishes reports of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then for purposes of this Section, the combined capital and surplus of such institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect specified in this Article.

Section 11.7. Resignation or Removal of Trustee; Appointment of Successor Trustee.

(A) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 11.8.

(B) The Trustee may resign at any time by giving written notice to the Corporation. Upon receiving such notice of resignation, the Corporation shall promptly appoint a successor Trustee by an instrument in writing. If an instrument of acceptance has not been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

(C) Prior to the occurrence and continuance of an Event of Default hereunder, or after the curing or waiver of any such Event of Default, the Corporation or the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In the event there shall have occurred and be continuing an Event of Default hereunder, the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In each instance such removal and appointment shall be accomplished by an instrument or concurrent instruments in writing signed by the Corporation or such holders, as the case may be, and delivered to the Trustee, the Corporation, and holders of the Outstanding Bonds.

(D) If at any time: (1) the Trustee shall cease to be eligible and qualified under Section 11.6 and shall fail or refuse to resign after written request to do so by the Corporation or the holder of any Bond, or (2) the Trustee shall become incapable of acting or shall be adjudged insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee, its property or affairs for the purpose of rehabilitation, conservation or liquidation, then in either such case (A) the Corporation may remove the Trustee and appoint a successor Trustee in accordance with the provisions of
subsection (C) of this Section; or (B) any holder of a Bond then Outstanding may, on behalf of the holders of all Outstanding Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

(E) The Corporation shall give written notice of each resignation or removal of the Trustee and each appointment of a successor Trustee to each holder of Bonds then Outstanding as listed in the Bond Register. Each such notice shall include the name and address of the applicable corporate trust office of the successor Trustee.

Section 11.8. Acceptance of Appointment by Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Corporation and the predecessor Trustee an instrument accepting its appointment. The resignation or removal of the retiring Trustee shall thereupon become effective, and the successor Trustee shall, without further act, deed or conveyance become vested with all the estates, properties, rights, powers and duties of the predecessor Trustee. Upon the request of the Corporation or the successor Trustee, the predecessor Trustee shall execute and deliver an instrument transferring to the successor Trustee all the estates, properties, rights, powers and duties of the predecessor Trustee under this Indenture, and shall duly assign, transfer, deliver and pay over to the successor Trustee all the Trust Estate and moneys and other property then held under this Indenture. The successor Trustee shall promptly give written notice of its appointment to the holders of all Bonds Outstanding in the manner prescribed herein, unless such notice has previously been given.

(b) No successor Trustee shall accept appointment as provided in this Section unless, as of the date of such acceptance, it is eligible and qualified under the provisions of Section 11.6.

Section 11.9. Merger, Succession or Consolidation of Trustee. Any corporation or association: (a) into which the Trustee is merged or with which it is consolidated; (b) resulting from any merger or consolidation to which the Trustee is a party; or (c) succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor Trustee without the execution or filing of any document or the taking of any further action. Any such successor must nevertheless be eligible and qualified under the provisions of Section 11.6.

Section 11.10. Notices to Bondholders: Waiver. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Bondholder affected by each event, at his or her address as it appears on the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. In any case where notice to Bondholders is given by mail, neither the failure to mail such notice, nor any default in any notice so mailed to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to received such notice, either before or after the event, and such waiver shall be the equivalent of such
notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

For so long as the Bonds are registered solely in the name of the Securities Depository or its nominee, the Trustee, on behalf of the Corporation shall maintain a register (the "Beneficial Owner Register") in which the Trustee shall record the name and address of any person that is identified to the Trustee as a beneficial owner of an interest in the Bonds and for which the Trustee has: (i) information sufficient to permit delivery of first class mail and (ii) either: (x) a certificate executed, as depository or securities intermediary, by any trust company, bank, banker or member of a national securities exchange (wherever situated), if such certificate is in form satisfactory to the Trustee, or (y) a certificate or affidavit of the Person executing such instrument or writing as a beneficial owner if such certificate or affidavit is in form satisfactory to the Trustee or (z) such other instrument or writing as the Trustee deems sufficient for the purposes of this Section. The Trustee and the Corporation shall not be responsible for the accuracy of the Beneficial Owner Register, and no Person listed in the Beneficial Owner Register shall be entitled to any rights under this Indenture other than the right to receive notices in the manner provided in the following paragraph.

For so long as the Bonds are registered solely in the name of the Securities Depository or its nominee, where this Indenture provides for notice to the Bondholders of the existence of, or during the continuance of, any Event of Default, the Trustee, at the expense of NYCHA, shall: (i) establish a record date (the "Record Date") for determination of the Persons entitled to receive such notice; (ii) request a securities position listing from the Securities Depository showing the Depository Participants holding positions in the Bonds affected by such notice as of the Record Date for such notice; (iii) mail, first class postage prepaid, copies of the notice as provided above to each Depository Participant identified in the securities position listing as holding a position in the Bonds as of the Record Date for the notice, to each Person listed in the Beneficial Owner Register, to each nationally recognized municipal securities information repository and state information depository (within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934), and to any Person identified to the Trustee as a nonobjecting beneficial owner pursuant to the immediately following clause; (iv) request that the Depository Participant retransmit the notice to all Persons for which it served as nominee on the Record Date, including nonobjecting beneficial owners, or retransmit the notice to objecting beneficial owners and provide a listing of nonobjecting beneficial owners for whom the Depository Participant served as nominee on the Record Date to the Trustee, (v) provide on behalf of the Corporation and not as its agent, an undertaking of the Corporation to pay to any Depository Participant or other nominee (other than the Securities Depository) the reasonable costs of transmitting the notice to Persons for whom the Depository Participant acts as nominee; and (vi) provide as many copies of the notice as may be requested by any nominee owner of the Bonds. Any default in performance of the duties required by this paragraph shall not affect the sufficiency of notice to the Bondholders given in accordance with the first paragraph of this Section, nor the validity of any action taken under this Indenture in reliance on such notice to Bondholders.

Where this Indenture provides for notice to the Bondholders of any event, the form of the notice shall prominently include a title block, separate from the body of the notice, which shall include the following information: (i) the complete title of the Bonds; (ii) the
complete name of the Corporation and of NYCHA; (iii) the Record Date; and (iv) a summary that is no more than the maximum number of characters permitted by the Securities Depository.

Any notice required or permitted by this Indenture to be given to the Securities Depository shall be given to it in the manner provided by this Section for giving notice to Bondholders, and also shall be given in ASCII (or other format requested by the Securities Depository) format on magnetic medium, and shall be sent to: The Depository Trust Company, Proxy Department, 55 Water Street, 50th Floor, New York, New York 10041-0099, (telecopy: (212) 855-5181), or such other address as may be specified by the Securities Depository in writing to the Trustee.

Section 11.11. Paying Agents; Appointment and Acceptance of Duties; Removal. The Corporation may appoint Paying Agents for the Bonds of each Series pursuant to Supplemental Indentures. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Corporation and to the Trustee a written acceptance thereof. The Corporation may remove any Paying Agent and any successor thereto, and appoint a successor or successors thereto; provided, however, that any such Paying Agent designated by the Corporation shall continue to be a Paying Agent of the Corporation for the purpose of paying the principal and Redemption Price of and interest on the Bonds until the designation of a successor as such Paying Agent. Each Paying Agent is authorized to redeem Bonds when duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Trustee for cancellation.

Section 11.12. Appointment of Co-Trustee. (A) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction, including particularly the law of the State, denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co trustee. The following provisions of this Section are provided to these ends.

(B) In the event that the Trustee appoints an additional individual or institution as a separate or co trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co trustee but only to the extent necessary to enable such separate or co trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co trustee shall run to and be enforceable by either of them.

(C) Should any instrument in writing from the Corporation be required by the separate trustee or co trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Corporation. In case any separate trustee or co trustee, or a successor to either shall die, become
incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties
and obligations of such separate trustee or co trustee, so far as permitted by law, shall vest in and
be exercised by the Trustee until the appointment of a new trustee or successor to such separate
trustee or co trustee.

(D) The Trustee shall not be liable for acts or omissions of any co-trustee
appointed by the Trustee with reasonable care.

ARTICLE XII

Defeasance

Section 12.1. Defeasance. (A) If the Corporation shall pay or cause to be paid to
the Owners of the Obligations, the principal, purchase price and interest to become due thereon,
at the times and in the manner stipulated therein and in this Indenture, and pay or cause to be
paid to each Fiduciary its fees, costs and expenses, then the pledge of the Trust Estate, including
any Revenues and other moneys, securities, funds and property hereby pledged and all other
rights granted hereby shall be discharged and satisfied. In such event, the Trustee shall, upon the
request of the Corporation, execute and deliver to the Corporation all such instruments as may be
necessary and desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay
over or deliver to the Corporation all moneys or securities held by them pursuant to this
Indenture that are not required for the payment of Obligations.

If the Corporation shall pay or cause to be paid, or there shall otherwise be paid,
to the Owners of any of the Outstanding Senior Obligations the principal, purchase price and
interest due or to become due thereon, at the times and in the manner stipulated therein and in
this Indenture, and pay or cause to be paid to each Fiduciary its fees, costs and expenses relating
to such Senior Obligations, such Senior Obligations shall cease to be entitled to any lien, benefit
or security hereunder and all covenants, agreements and obligations of the Corporation to the
Owners of such Senior Obligations shall thereupon cease, terminate and become void and be
discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation,
execute and deliver to the Corporation all such instruments as may be necessary and desirable to
evidence such discharge and satisfaction.

If the Corporation shall pay or cause to be paid, or there shall otherwise be paid,
to the Owners of any of the Outstanding Subordinate Obligations the principal, purchase price
and interest due or to become due thereon, at the times and in the manner stipulated therein and
in this Indenture, and pay or cause to be paid to each Fiduciary its Fees, costs and expenses
relating to such Subordinate Obligations, such Subordinate Obligations shall cease to be entitled
to any lien, benefit or security hereunder and all covenants, agreements and obligations of the
Corporation to the Owners of such Subordinate Obligations shall thereupon cease, terminate and
become void and be discharged and satisfied. In such event, the Trustee shall, upon the request
of the Corporation, execute and deliver to the Corporation all such instruments as may be
necessary and desirable to evidence such discharge and satisfaction.

Notwithstanding the foregoing and paragraph (B) below, the provisions of this
Indenture relating to payment, registration, transfer and redemption of Bonds, as well as the
covenants of the Corporation contained in Section 7.6, shall remain in effect until final maturity or the Redemption Date of the Obligations.

(B) Bonds or interest installments for the payment of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Corporation of funds for such payment or otherwise) shall, at the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section. Except as otherwise provided in any Supplemental Indenture, all Bonds shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article VI notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount that shall be sufficient, and/or noncallable Defeasance Obligations the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. Except as provided in subsection (D) hereof, neither Defeasance Obligations or moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of or Redemption Price, if any, and interest on said Bonds; but any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and to the extent not adverse to the tax-exempt status of such Bonds or any refunding obligations, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds on and prior to such maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge. Notwithstanding the provisions of the immediately preceding sentence hereof, the Trustee may sell, transfer or otherwise dispose of the Defeasance Obligations deposited with the Trustee pursuant to this Section, provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other non-callable Defeasance Obligations, the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be.

(C) The deposit required by subsection (B) hereof may be made with respect to Bonds within any particular maturity, in which case such maturity of Bonds shall no longer be
deemed to be Outstanding under the terms of this Indenture, and the Owners of such defeased Bonds shall be secured only by such trust funds and not by any other part of the Trust Estate, and this Indenture shall remain in full force and effect to protect the interests of the Owners of Bonds remaining Outstanding thereafter.

(D) Anything in this Indenture to the contrary notwithstanding, the Corporation may, in its sole discretion, in connection with the defeasance to maturity of Bonds, reserve the right at such time of defeasance to provide that such Bonds shall remain subject to redemption prior to maturity in accordance with their terms.

(E) Anything in this Indenture to the contrary notwithstanding, subject to the applicable laws of the State, any amounts held by the Trustee in trust for the payment and discharge of any of the Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or if there shall be no such applicable law, shall be returned to the Corporation three years after the date on which payment of such amounts would have been due.

(F) Written notice of the defeasance of any Bonds shall be given to each of the Rating Agencies and to HUD, and if the Corporation is using federal funds received from NYCHA to effectuate such defeasance, the Corporation shall receive HUD's approval prior to any such defeasance becoming effective.

ARTICLE XIII

Miscellaneous

Section 13.1. Limited Liability of Corporation. Notwithstanding anything in this Indenture contained, the Corporation shall not be required to advance any moneys derived from any source other than the Revenues and other moneys, securities and funds pledged under this Indenture for the payment of the principal or Redemption Price of or interest on the Senior Obligations.

Section 13.2. Benefits of Indenture Limited. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Corporation, the Trustee, the Paying Agents or the Owners of Senior Obligations any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Corporation shall be for the sole and exclusive benefit of the Trustee, the Paying Agents and the Owners of Senior Obligations.

Section 13.3. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Corporation or the Trustee or any Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Corporation, the Trustee or any Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.
Section 13.4. Execution of Documents by Owners of Bonds. (A) Any request, declaration or other instrument that this Indenture may require or permit to be executed by Owners of Bonds may be in one or more instruments of similar tenor, and shall be executed by Owners of Bonds in person or by their attorneys appointed in writing.

(B) Except as otherwise expressly provided, the fact and date of the execution by any Owner of a Bond or his or her attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(C) Except as otherwise herein expressly provided, the amount of Bonds transferable by delivery held by any person executing such request, declaration or other instrument or writing as a Bondholder, and the numbers thereof, and the date of his or her holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank or other depositary, wherever situated, showing that at the date therein mentioned such person had on deposit with, or exhibited to, such depositary the Bonds described in such certificate. Continued ownership after the date of deposit stated in such certificate may be proved by the presentation of such certificate if the certificate contains a statement by the depositary that the Bonds therein referred to will not be surrendered without the surrender of the certificate to the depositary, except with the consent of the Trustee. The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the Bond Registrar.

(D) Any request, declaration or other instrument or writing of any Owner of a Bond, unless revoked by such Owner prior to transfer, shall bind all future Holders of such Bond in respect of anything done or suffered to be done by the Corporation or the Trustee in good faith and in accordance therewith or in reliance thereon.

Section 13.5. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.6. No Recourse Under Indenture or on Senior Obligations. All covenants, stipulations, promises, agreements and obligations of the Corporation contained in this Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any officer, employee, member or agent of the Corporation in its individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Senior Obligations or for any claim based thereon or on this Indenture against any officer, employee, member or agent of the Corporation or against any person executing the Senior Obligations.
Section 13.7. HUD Not Liable. The covenants, promises, agreements and obligations of the Corporation contained in this Indenture are not obligations of HUD, and the Senior Obligations are not obligations of, or guaranteed by, HUD or the United States of America.

Section 13.8. Collection of Revenues; Recording and Filing. (A) The Trustee covenants to cooperate with and assist the Corporation, and perform all acts reasonably requested by the Corporation, with respect to assuring the timely receipt of Revenues from HUD on behalf of NYCHA.

(B) The Trustee covenants that it will, at the expense of the Corporation, cause the Corporation to record and file all continuation of financing statements (and supplements) related to this Indenture and all Supplemental Indentures, in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of any Owners of Bonds and the rights of the Trustee hereunder.

Section 13.9. Notices. (A) Any notice, or other information required to be given or provided to the Corporation or the Trustee under this Indenture shall be deemed to have been sufficiently given or provided for all purposes if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to the respective addresses as follows, unless and until a different address is provided in writing to the Trustee and the Corporation:

If to the Corporation:

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

If to the Trustee:

[address]

If to HUD:

Office of the Assistant Secretary for
Public and Indian Housing
United States Department of Housing
and Urban Development
Washington, D.C. 20410-5000
Attention: Assistant Secretary for Public
and Indian Housing

(B) The Corporation shall provide written notice to any Rating Agency then rating the Outstanding Bonds of any Series, to the address specified by such Rating Agency for such purposes, upon the occurrence of any of the following:

(1) substitution or replacement of any Fiduciary;
(2) any amendment to this Indenture and any Supplemental Indenture pursuant to which Bonds are then Outstanding;

(3) mandatory redemption of all Outstanding Bonds of any Series;

(4) the defeasance of all or any portion of the Bonds of any Series;

(5) the occurrence of any Event of Default under Section 10.1;

(6) the redemption of any Bonds of any Series prior to maturity; and

(7) the amendment or modification of the Capital Fund Financing Amendment.

The Corporation shall provide written notice to HUD of any action, matter or circumstance that modifies the principal and interest payments on the Bonds.

Any notice, or other information required to be given or provided to Moody's under this Indenture shall be deemed to have been sufficiently given or provided for all purposes if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to [Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Public Finance Department], unless and until a different address is provided in writing to the Corporation by Moody's for such purposes; any notice, or other information required to be given or provided to S&P under this Indenture shall be deemed to have been sufficiently given or provided for all purposes if delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to Standard & Poor's Ratings Services, 55 Water Street, 38th Floor, New York, New York 10004, Attention: Public Finance/Housing Group, unless and until a different address is provided in writing to the Corporation by S&P for such purposes.

Section 13.10. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 13.11. Severability. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Corporation, or of the Trustee or of any Paying Agent, to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the remaining provisions of this Indenture or of the Senior Obligations; but the Owners of Senior Obligations shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 13.12. Execution of Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
Section 13.13. **Federal Public Housing Requirements Control.** To the extent that any provision of this Indenture is in conflict with the requirements of the United States Housing Act of 1937, as amended, the applicable provisions of Title 24 of the Code of Federal Regulations, or the Annual Contributions Contract, as amended (collectively, "Federal public housing requirements"), such Federal public housing requirements shall control and govern in such instances of conflict.

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the day first above written.

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

By: __________________________

President

[SEAL]

_______, as Trustee

By: __________________________

Name and Title: