

FIRST SUPPLEMENTAL ESCROW AND CUSTODY AGREEMENT

by and among

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

and

FEDERAL FINANCING BANK

and

_____, as Custodian

Dated as of ____, 2014

Certificates of Participation

(FHA Risk-Sharing Insured Mortgage Loans)

TABLE OF CONTENTS

Page

ARTICLE I

SHORT TITLE, DEFINITIONS AND INTERPRETATION

Section 1.1. Short Title3
Section 1.2. Definitions.....3
Section 1.3. Interpretation.....3

ARTICLE II

TERMS OF CERTIFICATES

Section 2.1. Authorized Principal Amount, Purposes and Designation of Certificates.....5
Section 2.2. Terms of Certificates.....5
Section 2.3. Payment of Proceeds.....5
Section 2.4. Accounts5

FIRST SUPPLEMENTAL ESCROW AND CUSTODY AGREEMENT

This First Supplemental Escrow and Custody Agreement (this "First Supplement") dated as of ____, 2014, by and among the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation, the FEDERAL FINANCING BANK, a ____ (the "Bank"), and _____, as escrow and custody agent (the "Custodian"), a ____, duly organized and validly existing under the laws of _____ (those capitalized terms that are not defined in the recitals and granting clauses shall have the meanings assigned in Article I hereof):

WITNESSETH:

WHEREAS, the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the "Act") authorizes the Corporation to make and to contract for the making of loans secured by mortgages insured or coinsured by the federal government 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 provide an adequate supply of safe, sanitary and affordable housing accommodations or for units located in an area designated as blighted;

WHEREAS, in furtherance of such authorization, the Corporation intends, from time to time, to originate mortgage loans that have the benefit of FHA risk-sharing mortgage insurance and to convey beneficial ownership of the mortgage loans to the extent of the principal amount thereof and a designated portion of the interest payable thereon;

WHEREAS, the conveyance of such beneficial ownership shall be pursuant to the terms of that Master Purchase and Sale Agreement, dated as of ____, 2014, between the Corporation, as Seller, and the Bank, as Purchaser (the "Master Purchase and Sale Agreement");

WHEREAS, the parties hereto have heretofore executed and delivered that Master Escrow and Custody Agreement, dated as of ____, 2014 (the "Master Escrow Agreement"), pursuant to which the beneficial ownership interests so conveyed by the Corporation to the Bank shall be evidenced by the delivery to the Bank by the Custodian under the Master Escrow Agreement of Certificates of Participation (the "Certificates"), in each case as described in agreements supplemental to the Master Escrow Agreement and containing the terms required to be included in such supplemental agreements by the terms of the Master Escrow Agreement;

WHEREAS, this First Supplement constitutes such an agreement supplemental to the Master Escrow Agreement in accordance with its terms;

NOW THEREFORE, THIS FIRST SUPPLEMENT WITNESSETH:

ARTICLE I

SHORT TITLE, DEFINITIONS AND INTERPRETATION

Section 1.1. Short Title. This First Supplement may hereafter be cited by the Corporation and is hereinafter sometimes referred to as the "First Supplement".

Section 1.2. Definitions. In this First Supplement, unless the context otherwise requires, the defined terms herein shall have the respective meanings given to such terms in the recitals hereto and otherwise pursuant to the Master Escrow Agreement.

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

(1) the terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this First Supplement, refer to this First Supplement, and the term "heretofore" means before, and the term "hereafter" means after, the date of execution and delivery of this First Supplement;

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

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

(4) any headings preceding the texts of the several Articles and Sections of this First Supplement, 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 First Supplement, nor shall they affect its meaning, construction or effect;

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

(B) Nothing in this First Supplement expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Custodian and the Certificates Owner, any right, remedy or claim under or by reason of this First Supplement or any covenant, condition or stipulation hereof. All the covenants, stipulations,

promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Custodian and the Certificates Owner.

(C) All references to Section numbers or Article numbers which do not specify the document to which such Section numbers or Article numbers relate shall be deemed to refer to Section numbers or Article numbers, as the case may be, contained in this First Supplement.

ARTICLE II

TERMS OF CERTIFICATE

Section 2.1. Authorized Principal Amount, Purposes and Designation of Certificate. There is hereby authorized to be executed and delivered by the Custodian to the Bank pursuant to the terms hereof and of the Master Escrow Agreement a Certificate in the principal amount set forth in Schedule 1 hereto in order to represent, and for the purpose of, the purchase by the Bank of a beneficial ownership interest in accordance with the terms of the Master Purchase and Sale Agreement of Purchased Assets derived from the mortgage loan for the Project identified as Mortgage Loan ID Number ___ and named “_____”. The Certificate shall be designated “Certificate of Participation (FHA Risk-Sharing Insured Mortgage Loan)” with the Mortgage Loan ID Number and Project Name identified on the face thereof and numbered “1” The executed Certificate shall be in substantially the form of Exhibit A hereto.

Section 2.2. Terms of Certificate. The Purchaser Pass-Through Rate applicable to the Certificate shall be as set forth in Schedule 1 to the Mortgage Loan Description appended to the Master Purchase and Sale Agreement (the “Mortgage Loan Description”). The Certificate shall be dated the date of execution and delivery thereof by the Custodian to the Bank. Interest paid on the Certificate representing a portion of the interest due on the related Mortgage Loan shall be payable on ___ and begin accruing on the date set forth in Schedule 1 to the Mortgage Loan Description. The net amounts to be deposited with the Custodian under the Master Escrow Agreement (termed “Net Scheduled Mortgage Receipts” under the Master Escrow Agreement) and the amounts to be passed through to payment on the Certificate (termed “Certificate Pass-Through Payments” under the Master Escrow Agreement), shall be as set forth in Schedule 1 to the Mortgage Loan Description. Certificate Pass-Through Payments to be paid on any Certificate Payment Date shall represent principal and a portion of interest due on the related Mortgage Loan as of _____ immediately preceding such Certificate Payment Date.

Section 2.3. Payment of Proceeds. Proceeds paid by the Bank in connection with the execution and delivery of Certificates shall be payable by wire transfer to the account identified by the Custodian to the Bank.

Section 2.4. Accounts. In accordance with the requirements of Section 5.1 of the Master Escrow Agreement, there are hereby created the following Accounts: Purchase Proceeds Account, Revenue Account, and Mortgage Reserve Account, each of which shall include in its name “-- _____ Project”. A contribution by the Corporation in the amount of \$ _____ shall be deposited in the [Mortgage Reserve Account-- _____ Project][Revenue Account-- _____ Project]. A contribution by the Mortgagor in the amount of \$ _____ shall be deposited in the Purchase Proceeds Account--- _____ Project.]

[Signature page to First Supplemental Escrow Agreement]

IN WITNESS WHEREOF, the Corporation, the Bank and the Custodian have executed this First Supplement as of the day first above written.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

By: _____

FEDERAL FINANCING BANK

By: _____

_____, as Custodian

By: _____

Name and Title:

EXHIBIT A

CERTIFICATE OF PARTICIPATION
(FHA RISK-SHARING INSURED MORTGAGE LOAN)

No. _____

Mortgage Loan ID number: _____

Project Name: _____

This is to certify that the FEDERAL FINANCING BANK, a _____ located at _____ (the "Bank"), is the registered beneficial owner of Purchased Assets, as defined in the Master Purchase and Sale Agreement, dated as of _____, 2014, between the New York City Housing Development Corporation (the "Corporation") and the Bank, as amended and supplemented, including the proceeds of Federal Housing Administration risk-sharing mortgage insurance authorized under Section 542(b) or 542(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707), as amended. Administration of the related Mortgage Loan identified above (the "Mortgage Loan") shall be pursuant to the terms of the Master Escrow and Custody Agreement, dated as of _____, 2014, as amended and supplemented, among the Corporation, the Federal Financing Bank, and _____, as Custodian (the "Escrow Agreement").

The owner of this Certificate is entitled to receive Certificate Pass-Through Payments on the Mortgage Loan as set forth in Schedule 1 hereto. Upon payment in full of the Mortgage Loan and remittance of amounts to the owner hereof pursuant to the Escrow Agreement, this Certificate will be cancelled by the Custodian.

The Escrow Agreement defines and limits certain of the rights of the owner of this Certificate and the terms of the Escrow Agreement are incorporated herein.

This Certificate may be transferred only as permitted by the Escrow Agreement.

This Certificate shall not be a debt of either the State of New York or of The City of New York and neither the State nor said City shall be liable thereon, nor shall the Certificates be payable out of any funds or assets other than related Purchased Assets.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by _____, as Custodian acting pursuant to the Escrow Agreement.

Dated: _____

_____, Custodian

By _____

SCHEDULE 1