

NOT A NEW ISSUE

SUPPLEMENT DATED OCTOBER 19, 2011

to

OFFICIAL STATEMENT DATED OCTOBER 21, 2009

Relating to

\$69,865,000

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Residential Revenue Bonds (Queens College Residences), 2009 Series A**

This Supplement (the "Supplement") sets forth certain information supplementary to that contained in the Official Statement dated October 21, 2009 (the "Official Statement") relating to the Residential Revenue Bonds (Queens College Residences), 2009 Series A (the "2009 Bonds") issued by the New York City Housing Development Corporation (the "Corporation"). The information contained in this Supplement should be read together with the Official Statement, a copy of which may be found at www.nychdc.com. Except as expressly set forth herein, this Supplement does not update, modify or replace the information contained in the Official Statement, which contains information only as of its date. To the extent the information in this Supplement conflicts with the information in the Official Statement, the information in this Supplement shall govern. Unless otherwise defined in this Supplement, all terms used herein shall have the same meanings as set forth in the Official Statement.

As described in the Official Statement, the 2009 Bonds were issued to refund the Residential Revenue Bonds (Queens College Residences), 2008 Series A (the "Prior Bonds") of the Corporation, which financed a mortgage loan to Q Student Residences, LLC, in order to finance a portion of the Project and pay certain other costs related thereto.

The 2009 Bonds are special revenue obligations of the Corporation payable from various sources as provided in the Resolution. The principal of, interest on and Purchase Price of the 2009 Bonds are payable from the funds drawn under an irrevocable direct pay letter of credit (the "Letter of Credit") issued in favor of U.S. Bank National Association (the "Trustee") by RBS Citizens, National Association (the "Credit Issuer").

RBS CITIZENS, NATIONAL ASSOCIATION

The Letter of Credit is confirmed by an irrevocable standby letter of credit confirmation (the "Confirming Letter of Credit") issued by the Federal Home Loan Bank of Boston (the "Confirming Bank"). The Confirming Letter of Credit will terminate on October 26, 2011 pursuant to the terms of a Termination Agreement by and among the Confirming Bank, the Credit Issuer and the Trustee, and will not be replaced, and thereafter the Confirming Bank will have no obligation with respect to the 2009 Bonds. The 2009 Bonds are subject to Mandatory Tender on October 26, 2011. On and after October 26, 2011, the principal of, interest on and Purchase Price of the 2009 Bonds are payable from the funds drawn under the Letter of Credit, which will no longer be confirmed by the Confirming Letter of Credit. From and after the mandatory tender and remarketing of the 2009 Bonds on October 26, 2011, all references to the Confirming Letter of Credit and the Confirming Bank contained in the Official Statement shall be of no force or effect and shall not apply to the 2009 Bonds. The Letter of Credit will expire on January 26, 2012 unless extended or terminated earlier in accordance with the terms of the Credit Agreement as described herein.

The 2009 Bonds are variable rate obligations which bear interest at the Weekly Rate, as determined from time to time by the Remarketing Agent, unless the method for determining the interest rate on the 2009 Bonds is changed to a different method or the interest rate is converted to a fixed rate to maturity. So long as the 2009 Bonds bear interest at the Weekly Rate, interest is payable on the first Business Day of each month, each Change Date and the final maturity date of any 2009 Bond.

During the period when the 2009 Bonds bear interest at the Weekly Rate, any 2009 Bond shall be purchased upon demand by the owner thereof, at a Purchase Price equal to 100% of the principal amount of such 2009 Bond plus accrued and unpaid interest thereon to the date of purchase, on any Business Day, upon at least seven (7) days' notice and delivery thereof to U.S. Bank National Association, as the Tender Agent, as described herein. The 2009 Bonds will be subject to mandatory tender for purchase upon a change in the method of determining the interest rate for such 2009 Bonds or upon any substitution of the Letter of Credit or provision for an Alternate Security. The 2009 Bonds will also be subject to mandatory tender for purchase in other circumstances as described in the Official Statement.

The 2009 Bonds are special obligations of the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation organized and existing under the laws of the State of New York. The 2009 Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2009 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

The issuance of the 2009 Bonds was subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Mortgagor by its special counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for RBS Citizens, National Association by its counsel, Windels Marx Lane & Mittendorf LLP, New York, New York. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, Harris Beach PLLC, Albany, New York. It is expected that the 2009 Bonds outstanding in the principal amount of \$69,295,000 will be remarketed on October 26, 2011.

**RBC CAPITAL MARKETS, LLC
Remarketing Agent**

Remarketing of

\$69,295,000

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Residential Revenue Bonds (Queens College Residences), 2009 Series A**

Price 100%

CUSIP Number: 64970WAK7*

* The CUSIP number has been assigned by an independent company not affiliated with the Corporation and is included solely for the convenience of the owners of the 2009 Bonds. The Corporation is not responsible for the selection or uses of this CUSIP number, and no representation is made as to its correctness on the 2009 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2009 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2009 Bonds.

This Supplement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2009 Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the New York City Housing Development Corporation or the Remarketing Agent to give any information or to make any representations other than as contained in the Official Statement and this Supplement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Corporation, RBS Citizens, National Association, Q Student Residences, LLC (the "Mortgagor") (in the case of information contained herein relating to the Mortgagor, the members of the Mortgagor, the Mortgage Loan and the Project), and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Supplement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Corporation, RBS Citizens, National Association, or the Mortgagor since the date hereof. The Remarketing Agent and the Corporation disclaim responsibility to update the information contained in the Official Statement or this Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENT OR THE OFFICIAL STATEMENT.

The Remarketing Agent has provided the following sentence for inclusion in this Supplement. The Remarketing Agent has reviewed the information in this Supplement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Residential Revenue Bonds (Queens College Residences), 2009 Series A

This Supplement (the "Supplement") sets forth certain information supplementary to that contained in the Official Statement dated October 21, 2009 (the "Official Statement") relating to the Residential Revenue Bonds (Queens College Residences), 2009 Series A (the "2009 Bonds") issued by the New York City Housing Development Corporation (the "Corporation").

The \$69,295,000 aggregate principal amount of the 2009 Bonds outstanding are subject to Mandatory Tender on October 26, 2011, and will be remarketed pursuant to this Supplement.

This Supplement sets forth certain information supplementary to that contained in the Official Statement and should be read together with the Official Statement, a copy of which may be found at www.nychdc.com. The Official Statement contains information as of the dates specified therein, and except as set forth herein, this Supplement does not update the information contained in the Official Statement. To the extent the information in this Supplement conflicts with the information in the Official Statement, this Supplement shall govern. Unless otherwise defined in this Supplement, all terms used herein shall have the same meanings as those terms have in the Official Statement.

U.S. Bank National Association, located in New York, New York, is acting as trustee for the 2009 Bonds (in its capacity as trustee for the 2009 Bonds, with its successors, the "Trustee").

INTRODUCTION

The 2009 Bonds were issued to refund the Residential Revenue Bonds (Queens College Residences), 2008 Series A (the "Prior Bonds") of the Corporation, which were issued for the purpose of financing a mortgage loan (the "Mortgage Loan") to Q Student Residences, LLC, a single purpose New York limited liability company (the "Mortgagor"), that financed a portion of the costs of constructing and equipping the Project located on an approximately 2.49± acre parcel of land located on the Queens College campus to the south of the Fitzgerald Gym and to the north of the Rosenthal Library, at 64-80 Kissena Boulevard in the Borough and County of Queens, City and State of New York.

The Queens College Special Projects Fund, Inc. (the "Special Projects Fund") is the sole member of the Mortgagor and was established in 1998, among other purposes, to promote and foster the educational mission, programs and activities of Queens College by acquiring title to, leasing, constructing or otherwise maintaining real property and physical facilities. The Special Projects Fund was formed as a not-for-profit corporation and as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The board of directors of the Special Projects Fund consists of the President, Provost/Senior Vice President for Academic Affairs and three other vice presidents of Queens College. All of the officers of the Mortgagor are currently members of the board of directors of the Special Projects Fund.

The principal of, interest on and Purchase Price of the 2009 Bonds have been payable from funds advanced under an irrevocable direct pay letter of credit (the "Letter of Credit") issued by RBS Citizens, National Association (the "Credit Issuer") pursuant to a Reimbursement Agreement (the "Credit Agreement") dated as of April 23, 2008, as amended, between the Mortgagor and the Credit Issuer. The Letter of Credit has been confirmed by an irrevocable standby letter of credit confirmation (the "Confirming Letter of Credit") issued by the Federal Home

Loan Bank of Boston (the "Confirming Bank"). The Confirming Letter of Credit will terminate on October 26, 2011, pursuant to the terms of a Termination Agreement by and among the Confirming Bank, the Credit Issuer and the Trustee and will not be replaced, and thereafter the Confirming Bank will have no obligation with respect to the 2009 Bonds. The 2009 Bonds are subject to mandatory tender on October 26, 2011. On and after October 26, 2011, the principal of, interest on and Purchase Price of the 2009 Bonds are payable from the funds drawn under the Letter of Credit which will no longer be confirmed by the Confirming Letter of Credit. From and after the mandatory tender and remarketing of the 2009 Bonds on October 26, 2011, all references to the Confirming Letter of Credit and the Confirming Bank contained in the Official Statement shall be of no force or effect and shall not apply to the 2009 Bonds. The Letter of Credit will expire on January 26, 2012 unless extended or terminated earlier in accordance with the terms of the Credit Agreement as described herein.

The 2009 Bonds are special obligations of the Corporation payable from payments under the Mortgage Loan and certain other moneys pledged therefor under the Resolution, including any investment earnings thereon. In addition, the 2009 Bonds are payable from amounts obtained under the Letter of Credit, any Substitute Letter of Credit or any Alternate Security.

The Official Statement and this Supplement in general describe the 2009 Bonds only while the 2009 Bonds bear interest at the Weekly Rate and only while the Credit Agreement is in effect.

The 2009 Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2009 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

SECURITY FOR THE BONDS

The Mortgage Loan is evidenced by the Mortgage Note, in an amount sufficient to pay the principal amount of, and interest on, the 2009 Bonds, which obligation is secured by the Mortgage on the Project. Payment of the 2009 Bonds is secured only by the Mortgage Loan and the Revenues or assets pledged under the Resolution, and not by any other mortgage loan or revenues or assets pledged under any other resolution. Payments under the Mortgage Note will be applied only to the payment of the 2009 Bonds and are secured only by the Credit Agreement and not by any other credit enhancement agreement.

The Letter of Credit

The Letter of Credit is an irrevocable obligation of the Credit Issuer to pay to the Trustee, while the 2009 Bonds bear interest at the Weekly Rate, up to the total of the following amounts (the "Stated Amount") upon the terms and conditions set forth in the Letter of Credit: (a) the aggregate principal amount of the outstanding 2009 Bonds, which may be drawn (i) to enable the Trustee to pay the principal of the 2009 Bonds when due at maturity or upon redemption or acceleration, or (ii) to enable the Trustee to pay the portion of the purchase price of 2009 Bonds tendered for purchase pursuant to the Resolution corresponding to the principal of such 2009 Bonds to the extent remarketing proceeds are not available for such purpose, plus (b) an amount equal to 34 days' interest on the outstanding 2009 Bonds at the rate of 12% per annum based on a 365-day year, which may be drawn (i) to enable the Trustee to pay interest on such 2009 Bonds when due, or (ii) to enable the Trustee to pay the portion of the purchase price of 2009 Bonds tendered for purchase pursuant to the Resolution corresponding to the accrued interest, if any, on such 2009 Bonds, to the extent remarketing proceeds are not available for such purpose.

Subject to the provisions of the following paragraph, each drawing under the Letter of Credit will reduce the Stated Amount by the amount of such drawing.

The Stated Amount of the Letter of Credit and the amounts available to be drawn to pay principal of the 2009 Bonds or to pay the principal portion of the purchase price of the 2009 Bonds will be reduced automatically by amounts drawn under the Letter of Credit to pay the principal of the 2009 Bonds when due or to pay the principal portion of the purchase price of the 2009 Bonds. The Stated Amount will be reinstated with respect to a drawing for the principal portion of the purchase price of the 2009 Bonds effective upon delivery by the Trustee of funds in an amount equal to the aggregate principal amount of the 2009 Bonds purchased with the proceeds of a drawing on the Letter of Credit. The Stated Amount of the Letter of Credit and the amounts available to be drawn to pay interest on the 2009 Bonds will be reduced automatically by amounts drawn under the Letter of Credit to pay interest on the

2009 Bonds. However, effective upon the close of business on the date of each drawing under the Letter of Credit with respect to a payment of interest on the 2009 Bonds, the interest component of the Letter of Credit will be reinstated automatically to an amount equal to 34 days' interest (computed at the maximum rate of 12% per annum based on a 365-day year with respect to the 2009 Bonds on the then applicable principal component of the Letter of Credit).

The Letter of Credit will terminate upon the earliest to occur of the following (the "Termination Date"):

- (a) the Credit Issuer's honoring of the final drawing thereunder upon the maturity, acceleration or redemption in whole of the 2009 Bonds, (b) receipt by the Credit Issuer of a certificate of the Trustee stating that the Trustee has received a Substitute Letter of Credit or Alternate Security in accordance with the Resolution, (c) receipt by the Credit Issuer of a certificate of the Trustee (accompanied by the Letter of Credit) stating that an Interest Method Change Date has occurred, or (d) at the close of business of the Credit Issuer on January 26, 2012 or, if that date is not a Business Day, on the first Business Day thereafter, unless sooner terminated or extended.

THE PROJECT AND THE MORTGAGOR

The Mortgagor has provided the following information regarding the Mortgagor and the Project owned by it and the information regarding the Developer, the Manager, the Special Projects Fund and the City University of New York for use herein. While the information regarding the Developer, the Manager, the Special Projects Fund and the City University of New York is believed to be reliable, neither the Corporation, the Credit Issuer, the Remarketing Agent nor any of their respective counsel, members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

The Project

The 2009 Bonds were issued to refund the Prior Bonds, which were issued to finance the Mortgage Loan originally made to the Mortgagor for the purposes of financing a portion of the cost of construction and equipping of the Project, located on an approximately 2.49± acre parcel of land located on the Queens College campus to the south of the Fitzgerald Gym and to the north of the Rosenthal Library, at 64-80 Kissena Boulevard in the Borough and County of Queens, City and State of New York. The Dormitory Authority of the State of New York, the fee owner of the Project Site, has leased the Project Site to the Mortgagor pursuant to the terms of a long-term ground lease (the "Ground Lease"). Under the Ground Lease, the Mortgagor is permitted to develop, construct, use, maintain and operate the Project as a residential facility for students, faculty and staff of Queens College and other senior colleges and community colleges within the CUNY system.

The Project has been substantially completed and is open and occupied by students. Since the date of issuance of the 2009 Bonds, the operating income from the Project has been sufficient to pay the operating expenses of the Project and debt service on the 2009 Bonds. No assurance can be given, however, that the Project will continue to generate sufficient revenues to pay the debt service and operating expenses of the Project. The ability of the Mortgagor to pay principal and interest on the Mortgage Loan is dependent on the revenues derived from the Project. See "THE MORTGAGE LOAN" in the Official Statement.

The Developer.

The developer for the Project was Capstone Development Corp. (the "Developer"), which had entered into a guaranteed maximum price development agreement (the "Development Agreement") with the Mortgagor and the City University of New York ("CUNY"). The Development Agreement has expired in accordance with its terms. The Developer is an Alabama S corporation formed in 1990 for the express purpose of developing student housing communities. As of the present date, the Developer has developed (or has been selected to develop) approximately 58,400 student beds, on or near 61 separate collegiate campuses (including the Project). The Developer's corporate headquarters are located in Birmingham, Alabama. The original founding members of the Developer had completed six previous projects, beginning in 1985. These members were employed with an Alabama based development/construction company, and left that firm in 1989 to form the Developer. Since the formation of the Developer, staff has been added to specialize in marketing, design and engineering, finance, and construction management in order to assure that employees of the Developer have expertise in all necessary disciplines. The Developer has a staff of two hundred fifty (250) full-time employees, including in-house legal counsel, three architects, three CPA's, and an MAI appraiser.

The Manager.

The management agent for the Project is Capstone On-Campus Management, LLC (the “Manager”) which has entered into a management agreement with the Mortgagor and CUNY. The Manager, an Alabama limited liability company, is an affiliate of the Developer formed in 2003 for the express purpose of managing and maintaining student housing communities. As of the present date, the Manager manages (or has been selected to manage) approximately 23,000 private beds of housing on 20 separate collegiate campuses (including the Project). The Manager’s headquarters are in Birmingham, Alabama, with on-site property managers at each student housing development location as well as regional management supervision.

The Mortgagor

The Mortgagor is a New York limited liability company that was established in 2007 by Queens College Special Projects Fund, Inc. (the “Special Projects Fund”) for the purpose of benefiting and supporting the charitable and educational activities of the Special Projects Fund and, more specifically, to develop, own and operate a residential facility on the campus of Queens College, a senior college within CUNY. The Mortgagor is not engaged in any business operations and has no material assets other than its interest in the Project. Accordingly, it is expected that the Mortgagor will not have any sources of funds to make payments on the Mortgage Loan other than revenues generated by the Project.

The Special Projects Fund

The Special Projects Fund is the sole member of the Mortgagor and was established in 1998, among other purposes, to promote and foster the educational mission, programs and activities of Queens College by acquiring title to, leasing, constructing or otherwise maintaining real property and physical facilities. The Special Projects Fund was formed as a not-for-profit corporation and as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The board of directors of the Special Projects Fund consists of the President, Provost/Senior Vice President for Academic Affairs and three other vice presidents of Queens College. All of the officers of the Mortgagor are currently members of the board of directors of the Special Projects Fund.

City University of New York

CUNY is a separate and distinct body established under Article 125 of the New York State Education Law. CUNY comprises 23 institutions, including 11 senior colleges (“Senior Colleges”), 6 community colleges and various graduate and professional schools. CUNY was established in 1961 by combining existing educational institutions into one university. Each of the Senior Colleges is accredited by the Middle States Association of Colleges and Secondary Schools, and all programs offered are authorized by the Regents of the University of the State of New York Education Department.

The Chancellor of CUNY and the President of Queens College have determined that providing a residence facility on the Queens College campus would promote and enhance the educational mission of Queens College and CUNY. CUNY has agreed to assist the Manager in marketing the Project, to bill for and collect license fees from residents and to remit such license fees collected to the Credit Issuer for application pursuant to the terms of the Credit Agreement. However, CUNY has no obligation with respect to payment of the Mortgage Loan.

CREDIT ISSUER

The following information concerning RBS Citizens, National Association (Bank) has been provided by representatives of the Bank and has not been independently certified or verified by the Corporation, the Mortgagor or the Remarketing Agent.

The Bank is a national banking association with its main office in Providence, Rhode Island. Except for directors’ qualifying shares, the Bank is a wholly-owned subsidiary of Citizens Financial Group, Inc. (Citizens). Citizens is also the parent holding company for Citizens Bank of Pennsylvania and numerous other non-bank entities, and is owned by The Royal Bank of Scotland Group plc (RBS). RBS acquired Citizens in 1988.

The Bank was chartered in May 2005 under the name “Citizens Bank, National Association”. The Bank’s name changed from “Citizens Bank, National Association” to “RBS Citizens, National Association” in connection with the mergers of each of the following Citizens subsidiaries — Charter One Bank, National Association, RBS National Bank, Citizens Bank of Massachusetts, Citizens Bank of Connecticut, Citizens Bank New Hampshire, Citizens Bank of Rhode Island, Citizens Bank (Delaware), and CCO Mortgage Corp. — with and into Citizens Bank, National Association. Citizens Bank, National Association survived these mergers under its charter and with the new title of RBS Citizens, National Association. These mergers (as well as the name change) were effective as of September 1, 2007.

The Bank offers a wide range of retail and commercial banking services. Its loan portfolio is divided between commercial loans, including leases and commercial real estate loans, and consumer loans, including residential real estate mortgage loans. The Bank does business through its divisions, including Citizens Bank, Charter One, CCO Mortgage and RBS Card Services.

The Bank is subject to supervision and examination by the Office of the Comptroller of the Currency. It is also subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the Bank’s operations.

The Letter of Credit is an obligation of the Bank, and is not an obligation of Citizens, RBS or any of their other subsidiaries or affiliates.

Citizens is a Providence-based commercial bank holding company. As of June 30, 2011, Citizens had \$131.8 billion in assets, total equity capital of \$23.1 billion, total deposits of \$91.6 billion, total loans and leases before allowance for loan losses of \$87.6 billion (\$85.6 billion net of allowance) and 19,570 full time equivalent employees.

Based on the annual Summary of Deposits report for June 30, 2011, the Bank had 1,120 branches. As of June 30, 2011 the Bank had total assets of \$109.3 billion, total deposits of \$74.9 billion, total loans and leases before allowance for loan losses of \$73.6 billion (\$71.9 billion net of allowance), and total equity capital of \$17.9 billion.

The foregoing summary information is provided for convenience purposes only. Important additional information with respect to Citizens and the Bank is contained in the publicly available portions of the Bank’s Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices - FFIEC 031, as submitted to the Federal Deposit Insurance Corporation.

Except as set forth under the heading “CREDIT ISSUER”, neither the Bank nor its affiliates make any representations as to the contents of this Supplement, the suitability of the security instruments for any investor, the feasibility or performance of any project or compliance with any securities or tax laws and regulations.

DESCRIPTION OF THE 2009 BONDS

General

The 2009 Bonds are being remarketed as variable rate obligations in a Weekly Rate Period and bear interest from the date of remarketing to but not including the Thursday following the date of remarketing. Thereafter, the 2009 Bonds will bear interest at the Weekly Rate, to be determined weekly and as otherwise described herein by RBC Capital Markets, LLC, f/k/a RBC Capital Markets Corporation, as Remarketing Agent for the 2009 Bonds. Interest on the 2009 Bonds shall be payable on a monthly basis on the first Business Day of each month commencing November 1, 2011, until payment of the principal thereof is made or provided for in accordance with the provisions of the Resolution, whether at maturity on June 1, 2043, upon redemption or otherwise.

Interest on the 2009 Bonds is computed on the basis of a 365 or 366-day year, for the actual number of days elapsed. If the date for payment of interest on or principal or Redemption Price of the 2009 Bonds is a day other than a Business Day, then payment may be made on the next succeeding Business Day with the same force

and effect as if made on the date originally fixed for payment, and in the case of such payment no interest shall accrue for the period from the date originally fixed for payment to such next succeeding Business Day. At no time shall the interest rate on the 2009 Bonds exceed the Maximum Rate. The 2009 Bonds are subject to conversion to alternate methods of determining interest rates thereon from time to time and to conversion to an interest rate fixed to maturity.

During any period of time in which the 2009 Bonds bear interest at the Weekly Rate, such 2009 Bonds are subject to purchase at a price equal to 100% of the principal amount of such 2009 Bonds plus accrued and unpaid interest thereon to the date of purchase (with respect to the 2009 Bonds, the "Purchase Price"). Such purchase shall be made upon demand of the owner thereof on any Business Day upon at least seven days' prior notice delivered to the Trustee prior to 5:00 p.m., New York City time. The 2009 Bonds are also subject to mandatory tender for purchase and are subject to optional and mandatory redemption as set forth in the Resolution. Payment of the Purchase Price of tendered 2009 Bonds that are not remarketed shall be paid with amounts provided pursuant to the Letter of Credit.

This Supplement and the Official Statement in general describe the 2009 Bonds only while the 2009 Bonds bear interest at a Weekly Rate.

The 2009 Bonds shall be issued solely in fully registered form, without coupons, issuable during a Weekly Rate Period in the denomination of \$100,000 or any \$5,000 increment in excess of \$100,000.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2009 Bonds. The 2009 Bonds were issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2009 Bond certificate was issued for the 2009 Bonds in the aggregate principal amount of the 2009 Bonds, and was deposited with DTC. Purchasers of the 2009 Bonds will not receive physical delivery of bond certificates.

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2009 Bond is held in book-entry form, such 2009 Bond need not be delivered in connection with any optional or mandatory tender of 2009 Bonds described under "DESCRIPTION OF THE 2009 BONDS" in the Official Statement. In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2009 Bonds on the date designated for such payment, without further action by the Beneficial Owner who delivered notice, and, notwithstanding the description of optional and mandatory tender of 2009 Bonds contained under "DESCRIPTION OF THE 2009 BONDS" in the Official Statement, transfer of beneficial ownership shall be made in accordance with the procedures of DTC.

NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2009 BONDS UNDER THE RESOLUTION; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2009 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2009 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2009 BONDS; OR (VI) ANY OTHER MATTER.

A more complete description of the DTC Book-Entry Only System is available at www.dtcc.com.

SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT

The obligations of the Mortgagor to the Credit Issuer are evidenced by the Credit Agreement. The following statements are a brief summary of certain provisions of the Credit Agreement. The summary does not

purport to be complete, and reference is made to the Credit Agreement for a full and complete statement of the provisions thereof. Capitalized terms used in this section and not otherwise defined will have the meanings given them in the Credit Agreement, a copy of which is on file with the Trustee.

The Credit Agreement

The Letter of Credit was issued pursuant to the Credit Agreement, under which the Mortgagor is obligated, among other things, to reimburse the Credit Issuer, with interest, for each drawing under the Letter of Credit. The Credit Agreement establishes various representations, warranties and covenants of the Mortgagor and establishes various events of default thereunder. The terms of the Credit Agreement and certain related documents may be modified, amended or supplemented by the Credit Issuer and the Mortgagor from time to time without giving notice to or obtaining the consent of the Bondholders. Any amendment, modification or supplement to the Credit Agreement may contain amendments or modifications to the covenants of the Mortgagor or additional covenants of the Mortgagor and these amended or modified covenants may be more or less restrictive than those currently in effect.

The occurrence of any of the following events shall be an “Event of Default” under the Credit Agreement: (i) failure to pay; (ii) failure to observe certain affirmative covenants (including covenants relating to payment of taxes, insurance, maintenance of legal existence and tax-exempt status, compliance with laws, observance of financial covenants, maintenance of reserve accounts as required, application of proceeds of the 2009 Bonds, monthly installment payments to the Trustee, maintenance of the ground lease in full force and effect and completion of the Project by a specified date), as well as failure to comply with any of the negative covenants or reporting requirements; (iii) default under any other covenant for 30 days after notice; (iv) failure of any representation or warranty to have been true in any material respect; (v) cross-default to other agreements now or hereafter made by the Mortgagor with the Credit Issuer; (vi) cross-default to other indebtedness of the Mortgagor in excess of \$100,000; (vii) dissolution of the Mortgagor or bankruptcy, reorganization or similar proceedings affecting the Mortgagor or any of its subsidiaries, other than involuntary proceedings dismissed within 60 days; (viii) material ERISA violations of the Mortgagor; (ix) material loss, theft, damage or destruction suffered by the Mortgagor or loss or threat of loss of material permits; (x) unenforceability of financing documents; (xi) any loss of perfection or priority of the Credit Issuer’s liens; (xii) occurrence of material adverse change; (xiii) cross-defaults to the Resolution and other agreements; and (xiv) any material environmental problem.

Upon the occurrence of an Event of Default under the Credit Agreement, the Credit Issuer may, among other things: (i) direct the Trustee to cause a mandatory tender of the 2009 Bonds; (ii) direct the Trustee to accelerate the 2009 Bonds; (iii) accelerate any reimbursement obligations then outstanding; (iv) apply amounts held in reserve accounts and other accounts with the Credit Issuer to the obligations of the Mortgagor to the Credit Issuer; (v) enforce its rights under its security agreement and related documentation; (vi) enforce its rights against the Mortgagor through legal action; (vii) exercise other remedies under applicable law or other agreements; and/or (viii) give notice of non-reinstatement of the interest component of the Letter of Credit.

The rights and remedies granted in the Credit Agreement arising from an Event of Default shall be in addition to and not in lieu of any other rights or remedies which may be afforded to the Credit Issuer under the other documents related to the Letter of Credit and the Credit Agreement.

The Credit Agreement also contains provisions as to the Credit Issuer’s right (but not obligation) to cure certain defaults of the Mortgagor; indemnification of the Credit Issuer by the Mortgagor; amendments and waivers; notices and other miscellaneous provisions.

THE CORPORATION

Since October 29, 2009, there have been changes to the members and principal officers of the Corporation. Mathew M. Wambua was appointed Commissioner of The City of New York Department of Housing Preservation and Development (“HPD”) effective April 4, 2011 and is Chairperson and Member ex-officio of the Corporation. Felix Ciampa is the current Vice Chairperson and Member of the Corporation. Richard M. Froehlich was appointed Chief Operating Officer of the Corporation on June 9, 2011 and also continues as Executive Vice President for Capital Markets and General Counsel of the Corporation. Joan Tally was appointed Executive Vice President for

Real Estate and Chief of Staff on June 9, 2011. Simon Bacchus was appointed Senior Vice President for Development on June 9, 2011.

Additional information concerning the Corporation and its other activities has been updated for purposes of this Supplement in Appendix B – Activities of the Corporation. Information concerning the Corporation is available upon request to New York City Housing Development Corporation, 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: www.nychdc.com. The Official Statement is also available at the Corporation’s internet address.

TAX MATTERS

Proposed Legislation and Other Matters

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2009 Bonds under Federal or state law or otherwise prevent beneficial owners of the 2009 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2009 Bonds. For example, on September 12, 2011, President Obama sent to Congress draft legislation entitled the “American Jobs Act of 2011” (the “Proposed Act”). On September 13, 2011, Senate Majority Leader Reid introduced the Proposed Act in the Senate (S.1549). The Proposed Act included a provision that, if enacted as proposed, would have limited the amount of exclusions (including tax-exempt interest, such as interest on the 2009 Bonds) and deductions certain high income taxpayers could use to reduce their income tax liability for taxable years after 2012. On October 11, 2011, a procedural vote in the Senate to end debate and thus allow a vote on the Proposed Act, as amended, did not pass. This or other legislative proposals may be considered or introduced that could affect the market price or marketability of tax-exempt bonds, such as the 2009 Bonds.

Prospective purchasers of the 2009 Bonds should consult their own tax advisors regarding the foregoing matters.

CERTAIN LEGAL MATTERS

Upon the mandatory tender and the remarketing of the 2009 Bonds on October 26, 2011, Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation, will deliver an opinion for the 2009 Bonds to the effect that the expiration of the Confirming Letter of Credit, in and of itself, will not adversely affect the exclusion of interest on the 2009 Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), on any 2009 Bonds, the interest on which is otherwise excluded from gross income for Federal income tax purposes under Section 103 of the Code, the form of which is attached hereto as Appendix A. Certain legal matters will be passed upon for the Mortgagor by its special counsel, Nixon Peabody LLP, Rochester New York. Certain legal matters will be passed upon for RBS Citizens, National Association by its counsel Windels Marx Lane & Mittendorf, LLP, New York, New York. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, Harris Beach PLLC, Albany, New York.

LEGALITY OF 2009 BONDS FOR INVESTMENT AND DEPOSIT

Under the provisions of Section 662 of the Act, the 2009 Bonds are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. The 2009 Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or hereafter authorized.

RATINGS

Upon the mandatory tender and the remarketing of the Bonds with the RBS Citizens, National Association Letter of Credit, Standard & Poor's Credit Market Services, a division of The McGraw-Hill Companies, Inc. is expected to assign to the 2009 Bonds a rating of "A-/A-2". Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the 2009 Bonds.

REMARKETING

The Remarketing Agent Is Paid by Mortgagor

The Remarketing Agent's responsibilities include determining the interest rate from time to time and using best efforts to remarket 2009 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement, as amended from time to time), as further described in the Official Statement. The Remarketing Agent is appointed by the Corporation and is paid by the Mortgagor for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of 2009 Bonds.

The Remarketing Agent May Purchase 2009 Bonds for Its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2009 Bonds for its own account and, in its sole discretion, may acquire such tendered 2009 Bonds in order to achieve a successful remarketing of the 2009 Bonds (*i.e.*, because there otherwise are not enough buyers to purchase the 2009 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2009 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2009 Bonds by purchasing and selling 2009 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the 2009 Bonds. The Remarketing Agent may also sell any 2009 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2009 Bonds. The purchase of 2009 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the 2009 Bonds in the market than is actually the case. The practices described above also may result in fewer 2009 Bonds being tendered in a remarketing.

2009 Bonds May Be Offered at Different Prices on Any Date Including a Weekly Effective Rate Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the 2009 Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Weekly Effective Rate Date. The interest rate will reflect, among other factors, the level of market demand for the 2009 Bonds (including whether the Remarketing Agent is willing to purchase 2009 Bonds for its own account). There may or may not be 2009 Bonds tendered and remarketed on a Weekly Effective Rate Date, the Remarketing Agent may or may not be able to remarket any 2009 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell 2009 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2009 Bonds at the remarketing price. In the event the Remarketing Agent owns any 2009 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such 2009 Bonds on any date, including the Weekly Effective Rate Date, at a discount to par to some investors.

The Ability to Sell the 2009 Bonds Other Than through Tender Process May Be Limited

The Remarketing Agent may buy and sell 2009 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to

tender their 2009 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the 2009 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2009 Bonds other than by tendering the 2009 Bonds in accordance with the tender process.

FURTHER INFORMATION

The information contained in this Supplement is subject to change without notice and no implication should be derived therefrom or from the remarketing of the 2009 Bonds that there has been no change in the affairs of the Corporation from the date hereof. Pursuant to the Resolution, the Corporation has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Resolution and to cause such books to be audited for each fiscal year. The Resolution requires that such books be open to inspection by the Trustee and the owners of not less than 5% of the 2009 Bonds issued thereunder during regular business hours of the Corporation and that the Corporation furnish a copy of the auditor's report, when available, upon the request of the owner of any Outstanding 2009 Bonds.

Additional information may be obtained upon request to New York City Housing Development Corporation, 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: www.nychdc.com.

MISCELLANEOUS

Any statements in this Supplement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Supplement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2009 Bonds.

This Supplement is submitted in connection with the remarketing of the 2009 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Supplement and the distribution thereof have been duly authorized and approved by the Corporation and the Supplement has been duly executed and delivered on behalf of the Corporation.

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: /s/ Marc Jahr
President

Dated: October 19, 2011

APPENDIX A
PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon the mandatory tender and the remarketing of the 2009 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to issue its opinion in substantially the following form:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION
110 William Street
New York, New York 10038

U.S. BANK NATIONAL ASSOCIATION
as Trustee
100 Wall Street
New York, New York 10005

Ladies and Gentlemen:

We are bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”). On October 29, 2009, we rendered our approving opinion (the “Approving Opinion”) with respect to the issuance by the Corporation of the Corporation’s Residential Revenue Bonds (Queens College Residences), 2009 Series A, in the original aggregate principal amount of \$69,865,000 (the “Bonds”). The Bonds were issued under and pursuant to the Act and the Residential Revenue Bonds (Queens College Residences) Bond Resolution of the Corporation, adopted August 12, 2009 (the “Resolution”). Unless otherwise defined in this opinion, all capitalized terms used herein shall have the meanings ascribed thereto in the Resolution.

Principal of and interest on the Bonds are payable from an irrevocable direct pay letter of credit issued by RBS Citizens, National Association (the “Letter of Credit”). The Letter of Credit is confirmed by an irrevocable standby letter of credit confirmation issued by the Federal Home Loan Bank of Boston (the “Confirmation”). October 28, 2011 is the original scheduled expiration date of the Letter of Credit and the Confirmation. The Letter of Credit has been extended and will remain outstanding, unconfirmed, and expire on January 26, 2012 (the “Extended Letter of Credit”). The Confirmation will not be renewed. The Resolution provides that, two Business Days prior to the date on which the Confirmation expires and is not renewed, a Facility Change Date will occur. This opinion is being delivered in connection with the extension of the Letter of Credit and the expiration of the Confirmation.

We are of the opinion that the Extended Letter of Credit meets the requirements of the Resolution.

We express no opinion as to whether, as of the date hereof, the interest on the Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). We are of the opinion, however, that, under existing statutes and court decisions, the extension of the Letter of Credit and the expiration of the Confirmation, in and of themselves, will not adversely affect the exclusion of interest from gross income for Federal income tax purposes under Section 103 of the Code on any Bonds, the interest on which is otherwise excluded from gross income for Federal income tax purposes under Section 103 of the Code.

Except as stated above, we express no opinion regarding any Federal, state, local or foreign tax consequences with respect to the Bonds. We wish to advise you that our opinion is limited to the delivery of the Extended Letter of Credit to U.S. Bank National Association, as Trustee for the Bonds, and does not extend to any other event or matter occurring subsequent to the delivery of our Approving Opinion on October 29, 2009.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX B

ACTIVITIES OF THE CORPORATION

The Corporation is engaged in the various activities and programs described below.

I. BOND PROGRAMS. The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the programs described below. The multi-family residential developments financed under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution, adopted by its Members on July 27, 1993, as amended from time to time (the "General Resolution") are described below in "Section C – Housing Revenue Bond Program." As of July 31, 2011, the Corporation had bonds outstanding in the aggregate principal amount of approximately \$8,327,576,006. All of the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution. None of the bonds under the bond programs described in "Section A–Multi-Family Program," "Section B–Military Housing Revenue Bond Program," "Section D–Liberty Bond Program," "Section E–Section 223(f) Refinancing Program." and "Section F–Capital Fund Revenue Bond Program" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

A. Multi-Family Program. The Corporation established its Multi-Family Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low income tenants. The following describes the Corporation's activities under its Multi-Family Program.

Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Federal Home Loan Mortgage Corporation ("Freddie Mac").

Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for post-secondary students, faculty and staff which bonds are secured by letters of credit issued by investment-grade rated institutions.

Senior Housing; Letter of Credit Enhanced: The Corporation has issued tax-exempt obligations to finance a mortgage loan for low-income senior housing, which obligations are secured by letters of credit issued by investment-grade rated commercial lending institutions.

Cooperative Housing; Letter of Credit Enhanced: The Corporation has issued taxable obligations in order to fund underlying mortgage loans to cooperative housing developments, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

B. Military Housing Revenue Bond Program. Under this program, the Corporation has issued taxable obligations in order to fund a portion of the costs of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

C. Housing Revenue Bond Program. Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under the General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, SONYMA-insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits

of subsidy payments. As of July 31, 2011, one hundred and fifty two (152) series of bonds have been issued under the Housing Revenue Bond Program including the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 and 2009 Series 2, which are not secured by the General Resolution.

D. Liberty Bond Program. In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit, to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the "Liberty Zone."

E. Section 223(f) Refinancing Program. Under this program, the Corporation acquires mortgages originally made by The City of New York (the "City"), obtains federal insurance thereon and either sells such insured mortgages or issues its obligations secured by said insured mortgages and pays the net proceeds of the sale of such mortgages or issuance of obligations to the City. Each series of bonds issued under this program is secured by a mortgage loan insured by FHA pursuant to Section 223(f) of Title II of the National Housing Act of 1934, as amended (the "National Housing Act"). Debt service on each series of bonds is paid only from monies received on account of the applicable mortgage loan securing such series, including, with respect to certain projects, interest reduction subsidy payments received by the Corporation pursuant to Section 236 of the National Housing Act.

F. Capital Fund Revenue Bond Program. Under this program, the Corporation has issued tax-exempt obligations in order to assist the New York City Housing Authority with the execution of a multi-year construction initiative that will address critical capital improvement needs of their aging housing portfolio.

G. Secured Mortgage Revenue Bond Program. Under this program, the Corporation may issue bonds to finance loans evidenced by a note and secured by a mortgage for privately owned multi-family housing. Such mortgage loans or the related bonds are required to be subject to supplemental security as defined in the applicable bond resolution. As of July 31, 2011, three (3) series of bonds have been issued under the Secured Mortgage Revenue Bond Program.

The following table summarizes bonds outstanding under these bond programs as of July 31, 2011:

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
<u>MULTI-FAMILY PROGRAM</u>				
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
Related-Carnegie Park	461	\$66,800,000	\$66,800,000	1997
Related-Monterey	522	\$104,600,000	\$104,600,000	1997
Related-Tribeca Tower	440	\$55,000,000	\$55,000,000	1997
One Columbus Place Development	729	\$150,000,000	\$142,300,000	1998
100 Jane Street Development	148	\$17,875,000	\$16,450,000	1998
Brittany Development	272	\$57,000,000	\$57,000,000	1999
West 43 rd Street Development	375	\$55,820,000	\$51,900,000	1999
Related-West 89 th Street Development	265	\$53,000,000	\$53,000,000	2000
Queenswood Apartments	296	\$10,800,000	\$10,800,000	2001
Related-Lyric Development	285	\$91,000,000	\$89,000,000	2001
James Tower Development	201	\$22,200,000	\$20,220,000	2002

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
The Foundry	222	\$60,400,000	\$55,100,000	2002
Related Sierra Development	212	\$56,000,000	\$56,000,000	2003
West End Towers	1,000	\$135,000,000	\$135,000,000	2004
Related Westport Development	371	\$124,000,000	\$123,800,000	2004
Atlantic Court Apartments	321	\$104,500,000	\$100,300,000	2005
Progress of Peoples Developments	1,008	\$83,400,000	\$50,925,000	2005
Royal Charter Properties East, Inc. Project	615	\$98,775,000	\$89,850,000	2005
The Nicole	149	\$65,000,000	\$62,500,000	2005
Rivereast Apartments	196	\$56,800,000	\$55,200,000	2006
Seaview Towers	462	\$32,000,000	\$22,400,000	2006
155 West 21st Street Development	110	\$52,700,000	\$51,500,000	2007
Ocean Gate Development	542	\$48,500,000	\$22,075,000	2007
West 61st Street Apartments	211	\$68,000,000	\$64,795,000	2007
Linden Plaza	1527	\$73,900,000	\$70,280,000	2008
Gateways Apartments	365	\$22,190,000	\$21,920,000	2009
Lexington Courts (Met Paca)	229	\$25,500,000	\$25,500,000	2010
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
Columbus Apartments Project	166	\$23,570,000	\$21,870,000	1995
West 48 th Street Development	109	\$22,500,000	\$20,000,000	2001
First Avenue Development	231	\$44,000,000	\$44,000,000	2002
Renaissance Court	158	\$35,200,000	\$35,200,000	2004
Nagle Courtyard Apartments	100	\$9,000,000	\$4,200,000	2004
Ogden Avenue Apartments	130	\$10,500,000	\$4,760,000	2004
Peter Cintron Apartments	165	\$14,400,000	\$7,840,000	2004
Aldus Street Apartments	164	\$14,200,000	\$8,100,000	2004
Courtlandt Avenue Apartments	167	\$15,000,000	\$7,905,000	2004
Hoe Avenue Apartments	136	\$11,900,000	\$6,660,000	2004
Louis Nine Boulevard Apartments	95	\$9,500,000	\$7,300,000	2004
270 East Burnside Avenue Apartments	114	\$13,000,000	\$6,400,000	2005
Highbridge Apartments	296	\$32,500,000	\$13,600,000	2005
Morris Avenue Apartments	210	\$22,700,000	\$14,700,000	2005
Ogden Avenue Apartments II	59	\$5,300,000	\$2,500,000	2005
White Plains Courtyard Apartments	100	\$9,900,000	\$4,900,000	2005

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
89 Murray Street Development	232	\$49,800,000	\$49,800,000	2005
33 West Tremont Avenue Apartments	84	\$8,450,000	\$3,490,000	2005
1904 Vyse Avenue Apartments	96	\$9,650,000	\$4,335,000	2005
Reverend Ruben Diaz Gardens Apartments	111	\$13,300,000	\$6,400,000	2006
Villa Avenue Apartments	111	\$13,700,000	\$5,990,000	2006
Bathgate Avenue Apartments	89	\$12,500,000	\$4,435,000	2006
Spring Creek Apartments I and II	582	\$24,000,000	\$24,000,000	2006
Linden Boulevard Apartments	300	\$14,000,000	\$13,610,000	2006
Markham Gardens Apartments	240	\$25,000,000	\$16,000,000	2006
245 East 124 th Street	185	\$40,000,000	\$40,000,000	2008
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>				
Related-Upper East	262	\$70,000,000	\$70,000,000	2003
Brookhaven Apartments	95	\$9,100,000	\$8,500,000	2004
East 165 th Street Development	136	\$13,800,000	\$7,665,000	2004
Manhattan Court Development	123	\$17,500,000	\$17,500,000	2004
Marseilles Apartments	135	\$13,625,000	\$12,325,000	2004
Parkview Apartments	110	\$12,605,000	\$5,935,000	2004
Thessalonica Court Apartments	191	\$19,500,000	\$18,200,000	2004
15 East Clarke Place Apartments	102	\$11,600,000	\$5,430,000	2005
1090 Franklin Avenue Apartments	60	\$6,200,000	\$2,320,000	2005
2007 La Fontaine Avenue Apartments	88	\$8,500,000	\$3,825,000	2005
Grace Towers Apartments	168	\$11,300,000	\$10,700,000	2005
La Casa del Sol	114	\$12,800,000	\$4,850,000	2005
Parkview II Apartments	88	\$10,900,000	\$4,255,000	2005
Urban Horizons II Development	128	\$19,600,000	\$5,865,000	2005
500 East 165 th Street Apartments	128	\$17,810,000	\$7,255,000	2006
1405 Fifth Avenue Apartments	80	\$14,190,000	\$14,190,000	2006
Beacon Mews Development	125	\$23,500,000	\$23,500,000	2006
Granite Terrace Apartments	77	\$9,300,000	\$4,060,000	2006
Granville Payne Apartments	103	\$12,250,000	\$5,560,000	2006
Intervale Gardens Apartments	66	\$8,100,000	\$3,115,000	2006
Target V Apartments	83	\$7,200,000	\$6,900,000	2006
550 East 170th Street Apartments	98	\$14,300,000	\$5,500,000	2007

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
Boricua Village Apartments	85	\$28,300,000	\$11,550,000	2007
Cook Street Apartments	152	\$26,600,000	\$4,680,000	2007
Queens Family Courthouse Apartments	277	\$120,000,000	\$118,190,000	2007
Susan's Court	125	\$24,000,000	\$24,000,000	2007
The Dorado Apartments	58	\$8,750,000	\$3,470,000	2007
The Plaza	383	\$30,000,000	\$11,800,000	2007
Las Casas Development	227	\$36,880,000	\$36,880,000	2008
Bruckner by the Bridge	419	\$68,500,000	\$68,500,000	2008
Hewitt House Apartments	83	\$11,000,000	\$11,000,000	2008
Sons of Italy Apartments	106	\$7,670,000	\$7,670,000	2009
Beekman Tower ³	N/A	\$431,100,000	\$335,100,000	2009- 2010
Via Verde Apartments	151	\$33,690,000	\$33,690,000	2010
101 Avenue D Apartments	78	\$25,000,000	\$25,000,000	2010
Eliot Chelsea Development	168	\$41,440,000	\$41,440,000	2010
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>				
The Balton	156	\$29,750,000	\$29,750,000	2009
<i>Residential Revenue Bonds – Letter of Credit Enhanced</i>				
Montefiore Medical Center Project	116	\$8,400,000	\$7,000,000	1993
Queens College Residences	144	\$69,865,000	\$69,295,000	2009
<i>Multi-Family Mortgage Revenue Bonds – Senior Housing; Letter of Credit Enhanced</i>				
55 Pierrepont Development	189	\$6,100,000	\$4,600,000	2000
<i>Mortgage Revenue Bonds – Cooperative Housing; Letter of Credit Enhanced</i>				
Prospect Macy	63	\$8,565,000	\$8,565,000	2008
Via Verde Cooperative Apartments	71	\$7,440,000	\$7,440,000	2010
<u>MILITARY HOUSING REVENUE BOND PROGRAM</u>				
Fort Hamilton Housing	228	\$47,545,000	\$46,600,000	2004
<u>HOUSING REVENUE BOND PROGRAM*</u>				
<i>Multi-Family Housing Revenue Bonds</i>	96,998	\$5,823,210,000	\$3,318,530,000	1993- 2011

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
<i>Multi-Family Housing Revenue Bonds – Federal New Issue Bond Program[†]</i>		\$500,000,000	\$499,870,000	2009
<u>LIBERTY BOND PROGRAM</u>				
<i>Multi-Family Mortgage Revenue Bonds</i>				
90 Washington Street ¹	398	\$74,800,000	\$74,800,000	2005
The Crest ²	476	\$143,800,000	\$141,700,000	2005
2 Gold Street ¹	650	\$217,000,000	\$212,200,000	2006
20 Exchange Place ²	366	\$210,000,000	\$203,500,000	2006
90 West Street ¹	410	\$112,000,000	\$112,000,000	2006
201 Pearl Street Development ¹	189	\$90,000,000	\$90,000,000	2006
Beekman Tower ³	904	\$203,900,000	\$203,900,000	2008
<u>SECTION 223(f) REFINANCING PROGRAM</u>				
<i>Multifamily Housing Limited Obligations Bonds</i>	724	\$79,998,100	\$4,261,750	1977
<i>FHA-Insured Mortgage Loans</i>	2,219	\$299,886,700	\$21,889,256	1978
<u>CAPITAL FUND REVENUE BOND PROGRAM</u>				
<i>New York City Housing Authority Program</i>	N/A	\$281,610,000	\$225,410,000	2005
<u>SECURED MORTGAGE REVENUE BOND PROGRAM</u>				
<i>Multi-Family Secured Mortgage Revenue Bonds</i>	401	\$14,155,000	\$13,635,000	2005-2008
TOTAL	<u>125,538</u>	<u>\$11,758,964,800</u>	<u>\$8,327,576,006</u>	

* Information for all one hundred and fifty-two (152) series of bonds that the Corporation has issued under its Housing Revenue Bond Program from 1993 through 2011 as described in Section C above.

† The Corporation has pledged certain amounts held under the General Resolution to secure both the Multi-Family Housing Revenue Bonds and the Multi-Family Housing Revenue Bonds - Federal New Issue Bond Program; however, amounts held under the Supplemental Resolutions for the Multi-Family Housing Revenue Bonds - Federal New Issue Bond Program are not pledged to secure the Multi-Family Housing Revenue Bonds.

¹ This project was also financed under the “Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced” Program as described in Section A above.

² This project was also financed under the “Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced” Program as described in Section A above.

³ This project was financed with separate series of bonds issued under the Multi-Family Program described in section I(A) above and the Liberty Bond Program described in section I(D) above.

II. MORTGAGE LOAN PROGRAMS. The Corporation funds mortgage loans under various mortgage loan programs, including the significant programs described below. These mortgage loans are funded from bond proceeds and/or the Corporation’s unrestricted reserves. See “PART I—BOND PROGRAMS” above.

Affordable Housing Permanent Loan Program. The Corporation established a program to make permanent mortgage loans for projects constructed or rehabilitated, often in conjunction with The City of New York Department of Housing Preservation and Development (“HPD”) and other lender loan programs.

Low-Income Affordable Marketplace Program. The Corporation has established a Low-income Affordable Marketplace Program (“LAMP”) to finance the construction or substantial rehabilitation of developments affordable to low-income tenants. LAMP projects are financed primarily with a first mortgage loan funded from tax-exempt bonds proceeds, as of right 4% Federal tax credits and a subordinate mortgage loan funded from the Corporation’s reserves. The subordinate loan is provided at 1% interest with fixed minimum payments of at least interest only but may provide for amortization.

Low-Income Affordable Marketplace Preservation Program. The Corporation has established a Low-income Affordable Marketplace Preservation Program (“LAMP Preservation”) to finance the acquisition and moderate rehabilitation of developments affordable to low-income tenants. LAMP Preservation projects are financed with a mortgage loan funded by tax-exempt bonds proceeds and as of right 4% Federal tax credits.

Mitchell-Lama Program. The Corporation has established the Mitchell Lama Restructuring Program and the Mitchell Lama Repair Loan Program. The Mitchell Lama Restructuring Program preserves Mitchell-Lama projects as affordable housing by restructuring existing mortgage loans into new mortgage loans which contain an extended maturity date and a lower rate of interest. The Mitchell Lama Repair Loan Program provides Mitchell-Lama projects with additional loans to fund system modernizations, capital improvements or repairs.

Mixed Income Program. The Corporation has established a Mixed-Income Program to finance the construction or substantial rehabilitation of mixed-income multi-family rental housing. Mixed Income projects are financed with a first mortgage loan funded from tax-exempt bond proceeds, a subordinate mortgage loan funded from the Corporation’s reserves and in some cases, as of right 4% Federal tax credits. Typically, the developments reserve 50% of the units for market rate tenants, 30% of the units for moderate to middle income tenants and 20% of the units for low income tenants.

New Housing Opportunities Program. The Corporation has established a New Housing Opportunities Program (“New HOP”) to finance the construction or substantial rehabilitation of developments affordable to low and moderate income tenants. New HOP projects are financed with a first mortgage loan funded from taxable or tax-exempt bonds proceeds and a subordinate mortgage loan funded from the Corporation’s reserves. The subordinate loan is provided at 1% interest with fixed minimum payments of at least interest only but may provide for amortization.

III. OTHER LOAN PROGRAMS. In addition to funding mortgage loans, the Corporation funds loans not secured by a mortgage under various programs, including the programs described below.

A. New Ventures Incentive Program. The Corporation participated in the New Ventures Incentive Program (“NewVIP”), a multi-million dollar public-private partnership between the City and member banks established in the fall of 2003. The Corporation originated three NewVIP loans, all of which have been repaid.

B. Other. Among other programs, the Corporation has funded a loan to finance the construction of military housing at Fort Hamilton in Brooklyn, New York secured by notes and financed through the issuance of bonds. The Corporation has funded a loan to the New York City Housing Authority (“NYCHA”) to provide funds for modernization and to make certain improvements to numerous various public housing projects owned by NYCHA in the City. The Corporation has provided interest-free working capital loans to not-for-profit sponsors of projects through HPD’s Special Initiatives Program. The proceeds of such loans are used for rent-up expenses and initial operation costs of such projects. The Corporation also has provided interim assistance in the form of unsecured, interest-free loan to the Neighborhood Partnership Housing Development Fund Company, Inc. to fund certain expenses associated with HPD’s Neighborhood Entrepreneurs Program.

IV. LOAN SERVICING. The Corporation services the majority of its own loans and also services loans for others. Such loan servicing activities, which are described below, relate to over 1,499 mortgage loans with an approximate aggregate face amount of \$12.9 billion.

A. Portfolio Servicing. The Corporation acts as loan servicer in connection with the permanent mortgage loans made to approximately 658 developments under its bond, mortgage loan and other loan programs (including its Housing Revenue Bond Program) in the approximate aggregate face amount of \$7.5 billion.

B. HPD Loan Servicing. The Corporation acts as loan servicer in connection with certain construction and permanent housing loan programs of HPD pursuant to several agreements with HPD. As of July 31, 2011, the Corporation was servicing construction and permanent loans made to approximately 620 developments in the approximate aggregate face amount of \$2.4 billion.

C. Loan Servicing Monitoring. In addition to the Corporation's loan servicing activities, the Corporation monitors the loan servicing activities of other servicers who service approximately 221 mortgage loans made under the Corporation's various bond, mortgage loan and other loan programs in the approximate aggregate face amount of \$3.0 billion.

NEW ISSUE – Book-Entry Only

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2009 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the 2009 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax.

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2009 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS".

\$69,865,000

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Residential Revenue Bonds (Queens College Residences), 2009 Series A

Dated: Date of Delivery **Price: 100%** **CUSIP No.: 64970W AK7*** **Due: June 1, 2043**

The above-referenced bonds (the "2009 Bonds") will be issued as fully registered bonds in the initial denomination of \$100,000 or any \$5,000 increment in excess of \$100,000 and will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Interest on and principal of the 2009 Bonds will be payable by U.S. Bank National Association, as trustee (the "Trustee") for the 2009 Bonds, to Cede & Co., as nominee of DTC. Purchasers of the 2009 Bonds will not receive physical delivery of bond certificates. The 2009 Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein.

The 2009 Bonds are being issued to refund the Residential Revenue Bonds (Queens College Residences), 2008 Series A (the "Prior Bonds") of the New York City Housing Development Corporation (the "Corporation"), which were issued for the purpose of financing a mortgage loan to Q Student Residences, LLC, a New York limited liability company, that financed a portion of the costs of constructing and equipping the Project which is located on an approximately 2.49± acre parcel of land located on the Queens College campus to the south of the Fitzgerald Gym and to the north of the Rosenthal Library, at 64-80 Kissena Boulevard in the Borough and County of Queens, City and State of New York.

The 2009 Bonds are special revenue obligations of the Corporation payable from various sources as provided in the Resolution. The principal of, interest on and Purchase Price of the 2009 Bonds are payable from the funds drawn under an irrevocable direct pay letter of credit (the "Letter of Credit") issued in favor of the Trustee by RBS Citizens, National Association (the "Credit Issuer").

RBS CITIZENS, NATIONAL ASSOCIATION FEDERAL HOME LOAN BANK OF BOSTON

The Letter of Credit is confirmed by an irrevocable standby letter of credit confirmation (the "Confirming Letter of Credit") issued by the Federal Home Loan Bank of Boston (the "Confirming Bank"). The Letter of Credit will expire on October 28, 2011, unless extended or terminated earlier in accordance with the terms of the Credit Agreement as described herein. The Confirming Letter of Credit will expire on October 28, 2011, unless extended or terminated earlier in accordance therewith as described herein.

The 2009 Bonds are subject to optional and mandatory redemption at the times and in the events set forth in the Resolution and described herein.

The 2009 Bonds are being issued as variable rate obligations which will bear interest from their date of issuance through and including November 4, 2009 at a rate per annum set forth in a Certificate of the Corporation delivered on the date of issuance of the 2009 Bonds. Thereafter, the 2009 Bonds will bear interest at the Weekly Rate, as determined from time to time by the Remarketing Agent (as defined herein), unless the method for determining the interest rate on the 2009 Bonds is changed to a different method or the interest rate is converted to a fixed rate to maturity. So long as the 2009 Bonds bear interest at a Weekly Rate, interest is payable on the first Business Day of each month, commencing December, 2009, each Change Date and the final maturity date of any 2009 Bond.

During the period when the 2009 Bonds bear interest at the Weekly Rate, any 2009 Bond shall be purchased upon demand by the owner thereof, at a Purchase Price equal to 100% of the principal amount of such 2009 Bond plus accrued and unpaid interest thereon to the date of purchase, on any Business Day, upon at least seven (7) days' notice and delivery thereof to U.S. Bank National Association, as the Tender Agent, as described herein. The 2009 Bonds will be subject to mandatory tender for purchase upon a change in the method of determining the interest rate for such 2009 Bonds or upon any substitution of the Letter of Credit or provision for an Alternate Security. The 2009 Bonds will also be subject to mandatory tender for purchase in other circumstances as described herein.

This Official Statement in general describes the 2009 Bonds only while the 2009 Bonds bear interest at the Weekly Rate.

The 2009 Bonds are special obligations of the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation organized and existing under the laws of the State of New York. The 2009 Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2009 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

The 2009 Bonds are offered when, as and if issued and received by the Underwriter and subject to the unqualified approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for RBS Citizens, National Association by its Counsel, Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts. Certain legal matters will be passed upon for the Mortgagor by its Counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Harris Beach PLLC, Albany, New York. Certain legal matters will be passed upon for the Confirming Bank by its special counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C, Boston, Massachusetts and Shui Lun Seto, Vice President and Senior Attorney to the Confirming Bank. It is expected that the 2009 Bonds will be available for delivery in New York, New York on or about October 29, 2009.

RBC CAPITAL MARKETS CORPORATION

Dated: October 21, 2009

*See footnote on inside front cover

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2009 Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the New York City Housing Development Corporation or the Underwriter to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the New York City Housing Development Corporation, RBS Citizens, National Association, the Federal Home Loan Bank of Boston, Q Student Residences, LLC (the "Mortgagor") (in the case of information contained herein relating to the Mortgagor, the members of the Mortgagor, the Mortgage Loan and the Project), and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the New York City Housing Development Corporation, RBS Citizens, National Association, the Federal Home Loan Bank of Boston or the Mortgagor since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2009 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2009 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

* Copyright 2003, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number listed on the cover page is being provided solely for the convenience of Bondholders only at the time of issuance of the 2009 Bonds and the Corporation does not make any representation with respect to such number nor does it undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the 2009 Bonds as a result of various subsequent actions, including, but not limited to, a refunding of a portion of the 2009 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to a portion of the 2009 Bonds.

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\$69,865,000
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Residential Revenue Bonds (Queens College Residences),
2009 Series A

This Official Statement (including the cover and appendices) provides certain information concerning the New York City Housing Development Corporation (the “Corporation”) in connection with the sale of \$69,865,000 Residential Revenue Bonds (Queens College Residences), 2009 Series A (the “2009 Bonds”). The 2009 Bonds are to be issued in accordance with the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law, constituting Chapter 44-b of the Consolidated Laws of the State of New York, as amended (the “Act”), and pursuant to a resolution entitled “Residential Revenue Bonds (Queens College Residences) Bond Resolution” adopted by the Members of the Corporation on August 12, 2009. Such resolution, as amended and supplemented from time to time, is herein referred to as the “Resolution”. Pursuant to the Resolution, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein and all such bonds, including the 2009 Bonds, are herein referred to as the “Bonds”. U.S. Bank National Association will act as trustee for the 2009 Bonds (with its successors, the “Trustee”). Certain defined terms used herein are set forth in Appendix A hereto.

INTRODUCTION

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”). The Corporation was created by the Act for the purpose of providing and encouraging the investment of private capital in safe and sanitary dwelling accommodations in The City of New York either within the financial reach of families and persons of low income, which includes families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. The Act provides that the Corporation and its corporate existence shall continue at least so long as bonds, notes or other obligations of the Corporation shall be outstanding.

The 2009 Bonds are being issued to refund the Residential Revenue Bonds (Queens College Residences), 2008 Series A (the “Prior Bonds”) of the Corporation, which were issued for the purpose of financing a mortgage loan (the “Mortgage Loan”) to Q Student Residences, LLC, a single purpose New York limited liability company (the “Mortgagor”), that financed a portion of the costs of constructing and equipping the Project to be located on an approximately 2.49± acre parcel of land (the “Project Site”) located on the Queens College campus to the south of the Fitzgerald Gym and to the north of the Rosenthal Library, at 64-80 Kissena Boulevard in the Borough and County of Queens, City and State of New York. See “THE PROJECT AND THE MORTGAGOR” and “ESTIMATED SOURCES AND USES OF FUNDS”.

The Queens College Special Projects Fund, Inc. (the “Special Projects Fund”) is the sole member of the Mortgagor and was established in 1998, among other purposes, to promote and foster the educational mission, programs and activities of Queens College by acquiring title to, leasing, constructing or otherwise maintaining real property and physical facilities. The Special Projects Fund was formed as a not-for-profit corporation and as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The board of directors of the Special Projects Fund consists of the President, Provost/Senior Vice President for Academic Affairs and three other vice presidents of Queens College. All of the officers of the Mortgagor are currently members of the board of directors of the Special Projects Fund. See “THE PROJECT AND THE MORTGAGOR”.

Concurrently with, and as a condition precedent to, the issuance of the 2009 Bonds, the Corporation will cause to be delivered to the Trustee an irrevocable direct pay letter of credit (the “Letter of Credit”) executed and delivered by RBS Citizens, National Association (the “Credit Issuer”). The Letter of Credit will permit the Trustee to draw up to an amount equal to the aggregate principal amount of the 2009 Bonds then Outstanding plus an amount equal to at least 34 days of interest at the Maximum Rate (defined below) on the Outstanding 2009 Bonds, in order to pay the principal or Purchase Price (defined below) of, and interest on, the 2009 Bonds. The Letter of Credit will be issued pursuant to the provisions of the Reimbursement Agreement dated as of the date of initial

issuance of the Prior Bonds, as amended by that certain Amendment No. 1 to Reimbursement Agreement dated as of the date of initial issuance of the 2009 Bonds (as amended, the "Credit Agreement"), between the Mortgagor and the Credit Issuer. The sole obligor under the Letter of Credit will be the Credit Issuer. The Letter of Credit will expire on October 28, 2011, unless extended or terminated earlier in accordance with the terms of the Credit Agreement. See "CREDIT ISSUER", "SECURITY FOR THE BONDS—Letter of Credit" and "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT". The Letter of Credit will be supported by a confirming letter of credit (the "Confirming Letter of Credit") to be issued by the Federal Home Loan Bank of Boston (the "Confirming Bank"). The Confirming Letter of Credit will expire on October 28, 2011, unless extended or terminated earlier in accordance with its terms. See "CONFIRMING BANK", "SECURITY FOR THE BONDS—Confirming Letter of Credit" and "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT". Under certain circumstances, the Corporation or the Mortgagor may replace the Letter of Credit with a Substitute Letter of Credit or other form of Alternate Security. See "SECURITY FOR THE BONDS—Alternate Security" and "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT".

The 2009 Bonds are special obligations of the Corporation payable from Revenues (as defined herein) and certain other moneys pledged therefor under the Resolution, including any investment earnings thereon. In addition, the 2009 Bonds are payable from amounts obtained under the Letter of Credit, any Substitute Letter of Credit or any Alternate Security (collectively, the "Credit Facility") or the Confirming Letter of Credit, provided in accordance with the terms of the Resolution. See "SECURITY FOR THE BONDS".

The 2009 Bonds are being issued as variable rate obligations which will bear interest from their date of issue through and including November 4, 2009 at a rate per annum set forth in a Certificate of the Corporation delivered on the date of issuance of the 2009 Bonds. Thereafter, the 2009 Bonds will bear interest at the Weekly Rate, as determined from time to time by RBC Capital Markets Corporation, as Remarketing Agent for the 2009 Bonds (the "Remarketing Agent") as herein described. The interest rate established with respect to the 2009 Bonds is subject to conversion to alternate methods of determining interest rates thereon from time to time and to conversion to an interest rate fixed to maturity upon the terms and conditions described herein. See "DESCRIPTION OF THE 2009 BONDS". The 2009 Bonds are subject to a maximum interest rate of twelve percent (12%) per annum or such higher rate (which shall not exceed fifteen percent (15%) per annum) as may be established in accordance with the provisions of the Resolution (the "Maximum Rate").

During any period of time in which the 2009 Bonds bear interest at the Weekly Rate, the 2009 Bonds are subject to purchase at a price equal to 100% of the principal amount of the 2009 Bonds plus accrued and unpaid interest thereon to the date of purchase (the "Purchase Price"). Such purchase shall be made upon demand of the owner thereof on any Business Day upon seven (7) days' prior notice. The 2009 Bonds are also subject to mandatory tender for purchase and are subject to optional and mandatory redemption and defeasance as set forth in the Resolution and described herein.

This Official Statement in general describes the 2009 Bonds only while the 2009 Bonds bear interest at the Weekly Rate.

The 2009 Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2009 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

Descriptions of the 2009 Bonds and sources of payment, the Corporation, the Credit Issuer, the Confirming Bank, the Mortgagor, the Project, the Mortgage Loan, the Letter of Credit, the Confirming Letter of Credit, the Credit Agreement, the Resolution and certain related agreements are included in this Official Statement. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the 2009 Bonds are qualified in their entirety by reference to the Resolution and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Resolution are available for inspection at the office of the Corporation. The Corporation has covenanted in the Resolution to provide a copy of each annual report of the Corporation (and certain special reports, if any) and any Accountant's Certificate relating thereto to each Bond owner who shall have filed such owner's name and address with the Corporation for such purposes. See "SUMMARY OF CERTAIN PROVISIONS OF THE

RESOLUTION—Accounts and Reports”. Other than as so covenanted in the Resolution, the Corporation has not committed to provide any information on an ongoing basis to any repository or other entity or person.

THE CORPORATION

Purposes and Powers

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State, created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling accommodations in New York City for families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. Powers granted the Corporation under the Act include the power to issue bonds, notes and other obligations to obtain funds to carry out its corporate purposes, and to refund the same; to acquire, hold and dispose of real and personal property; to make mortgage loans to specified private entities; to purchase loans from lending institutions; to make loans insured or co-insured by the Federal government for new construction and rehabilitation of multiple dwellings; to make and to contract for the making of loans for the purpose of financing the acquisition, construction or rehabilitation of multi-family housing accommodations; to acquire and to contract to acquire any Federally-guaranteed security evidencing indebtedness on a mortgage securing a loan; to acquire mortgages from The City of New York (the “City”), obtain Federal insurance thereon and either sell such insured mortgages or issue its obligations secured by said insured mortgages and to pay the net proceeds of such sale of mortgages or issuance of obligations to the City; and to do any and all things necessary or convenient to carry out its purposes. The Act further provides that the Corporation and its corporate existence shall continue at least so long as its bonds, including the 2009 Bonds, notes, or other obligations are outstanding.

The sale of the 2009 Bonds and the terms of such sale are subject to the approval of the Comptroller of the City. The Corporation is a “covered organization” as such term is defined in the New York State Financial Emergency Act for The City of New York, as amended, and the issuance of the 2009 Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

For a description of the bond, mortgage loan, loan and servicing activities of the Corporation, see Appendix B – “Activities of the Corporation”.

Organization and Membership

The Corporation, pursuant to the Act, consists of the Commissioner of The City of New York Department of Housing Preservation and Development (“HPD”) (who is designated as Chairperson of the Corporation pursuant to the Act), the Commissioner of Finance of the City and the Director of Management and Budget of the City (such officials to serve ex-officio), and four (4) public members, two (2) appointed by the Mayor of the City (the “Mayor”) and two (2) appointed by the Governor of the State. The Act provides that the powers of the Corporation shall be vested in and exercised by not less than four (4) members. The Corporation may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper.

Members

RAFAEL CESTERO, Chairperson and Member ex-officio. Mr. Cestero was appointed Commissioner of HPD by Mayor Michael R. Bloomberg, effective March 17, 2009. Prior to becoming Commissioner, Mr. Cestero was Senior Vice President and Chief Program Officer of Enterprise Community Partners where he was responsible for Enterprise’s national programs related to housing production, income targeting and quality of life measures. Mr. Cestero also worked at Enterprise for over 10 years after completing his graduate degree in Urban Planning at the University of Illinois at Urbana-Champaign. Before re-joining Enterprise, Commissioner Cestero was HPD Deputy Commissioner for Development from 2004 to 2007, where he developed portions of the City’s \$7.5 billion New Housing Marketplace Plan. As Deputy Commissioner, he also managed the establishment of the award-winning NYC Acquisition Loan Fund. Commissioner Cestero received his Bachelor of Sciences degree from Cornell University.

FELIX CIAMPA, Vice Chairperson and Member, term expires December 31, 2009. Mr. Ciampa is the Chief of Staff to the New York City Deputy Mayor for Economic Development and manages the office responsible for implementing the Mayor of New York City's five-borough economic development strategy. Prior to assuming his current position at City Hall, Mr. Ciampa served most recently as the Chief Operating Officer for the New York City Economic Development Corporation ("EDC"). At EDC, he worked with the President of EDC to develop and implement a new organizational structure and strategic plan for the corporation. Before assuming the role of Chief Operating Officer, Mr. Ciampa was EDC's Senior Vice President for Government and Community Relations. Previously, Mr. Ciampa was the Deputy Director of the Mayor's Office of City Legislative Affairs. Mr. Ciampa has his B.A. from Fordham University and his J.D. from St. John's University.

MARK PAGE, Member ex-officio. Mr. Page was appointed New York City Budget Director in January, 2002. Mr. Page was previously employed in the New York City Office of Management and Budget from 1978 to 2001, where he served as Deputy Director/General Counsel since 1982. Mr. Page is a graduate of Harvard University and the New York University School of Law.

DAVID M. FRANKEL, Member ex-officio. Mr. Frankel was appointed Commissioner of New York City's Department of Finance by Mayor Michael R. Bloomberg, on July 29, 2009, effective September 8, 2009. Prior to becoming Commissioner, Mr. Frankel held several positions as Managing Director at Morgan Stanley, overseeing fixed income, regulatory matters, tax operations and a staff of approximately 750 people. From 1992 to 2004, Mr. Frankel was the head of global operations for the AIG Trading Group. Commissioner Frankel previously served as Deputy Commissioner for Intergovernmental Relations at HPD and Special Counsel to the Commissioner of the New York City Department of Corrections. From 1978 to 1988, Mr. Frankel practiced as an attorney at two New York firms, where he specialized in litigation. Commissioner Frankel received a B.A. degree from Tufts University and his J.D. from Columbia University School of Law.

HARRY E. GOULD, JR., Member, serving pursuant to law. Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation, the largest privately owned independent distributor of printing paper in the United States. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field. He is a Life Member of the Executive Branch of the Academy of Motion Picture Arts and Sciences. He was a member of the Board of Directors of Domtar, Inc., the largest Canadian manufacturer of packaging and fine paper from 1995 to 2003. He is a member of the Board of Directors of the USO of Metropolitan New York. He was a member of the Board of Trustees of the American Management Association from 1996 to 1999. He was a member of Colgate University's Board of Trustees from 1976 to 1982. He was Vice Chairman of the President's Export Council, was a member of the Executive Committee and was Chairman of the Export Expansion Subcommittee from 1977 to 1980. He was a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee from 1977 to 1999. He was a member of the Board of United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York from 1972 to 1999. He was a Trustee of the Riverdale Country School from 1990 to 1999. Mr. Gould received his Bachelor of Arts degree from Colgate University *magna cum laude*. He began his M.B.A. studies at Harvard University and received his degree from Columbia Business School.

CHARLES G. MOERDLER, Member, term expires December 31, 2010. Mr. Moerdler is a partner in the law firm of Stroock & Stroock & Lavan LLP. Prior to joining his law firm in 1967, Mr. Moerdler was Commissioner of Buildings for The City of New York from 1966 to 1967, and previously worked with the law firm of Cravath, Swaine & Moore. Mr. Moerdler has served as a member of the Committee on Character and Fitness of Applicants to the Bar of the State of New York, Appellate Division, First Department since 1977 and as a member of the Mayor's Committee on Judiciary since 1994. He has also served on the Editorial Board of the New York Law Journal since 1986. Mr. Moerdler held a number of public service positions, including Chairman of The New York State Insurance Fund from 1995 to March 1997, Commissioner and Vice Chairman of The New York State Insurance Fund from 1978 to 1994, Consultant to the Mayor of The City of New York on Housing, Urban Development and Real Estate from 1967 to 1973, Member of the Advisory Board on Fair Campaign Practices, New York State Board of

Elections in 1974, Member of the New York City Air Pollution Control Board from 1966 to 1967 and Special Counsel to the New York State Assembly, Committee on Judiciary in 1961 and Committee on The City of New York in 1960. Mr. Moerdler also serves as a Trustee of St. Barnabas Hospital and served on the Board of Overseers of the Jewish Theological Seminary of America. He served as a Trustee of Long Island University from 1985 to 1991 and on the Advisory Board of the School of International Affairs, Columbia University from 1976 to 1979. Mr. Moerdler is a graduate of Long Island University and Fordham Law School, where he was an Associate Editor of the Fordham Law Review.

DENISE SCOTT, Member, term expires December 31, 2012. Ms. Scott has been Managing Director of the Local Initiatives Support Corporation's New York City program (LISC NYC) since 2001. During her tenure, LISC NYC has invested in the development of over 10,000 units of affordable housing. Ms. Scott served as a White House appointee to the United States Department of Housing and Urban Development (HUD) from 1998 to January 2001 responsible for daily operations of HUD's six New York/New Jersey regional offices. She was the Managing Director/Coordinator responsible for launching the Upper Manhattan Empowerment Zone Development Corporation. Ms. Scott served as the Assistant Vice President of the New York City Urban Coalition after serving as Deputy Director of the New York City Mayor's Office of Housing Coordination from 1990-1992. She held several positions at HPD ultimately serving as the Director of its Harlem preservation office. Ms. Scott serves on the U.S. Department of Treasury's Office of Thrift Supervision Minority Depository Institutions Advisory Committee and also serves on several boards including the National Equity Fund, Supportive Housing Network of New York, Citizens Housing and Planning Council, Neighborhood Restore / Restored Homes and the New York Housing Conference. Ms. Scott has a MS in Urban Planning from Columbia University and has taught at its Graduate School of Architecture, Planning and Preservation as a Visiting Assistant Professor.

Principal Officers

RAFAEL CESTERO, Chairperson.

FELIX CIAMPA, Vice Chairperson.

MARC JAHR, President. Mr. Jahr was appointed President of the Corporation on December 19, 2007, effective January 2, 2008. Prior to joining the Corporation, Mr. Jahr was Citi Community Capital's New York metropolitan area Market Director. At Citibank, he supervised its community development real estate lending group and was responsible for its affordable rental housing and home ownership lending programs in the metro New York area. Before joining Citibank, Mr. Jahr held various senior positions at Local Initiatives Support Corporation including New York Equity Fund Manager, New York City Program Director and Program Vice President. He also served in several positions at HPD including Director of its Multi-Family Housing Unit, as well as Deputy Director of HPD's Small Homes Unit. Mr. Jahr also served as Director of the Neighborhood Housing Services Program of East Flatbush and the New York City Commission on Human Rights East Flatbush Neighborhood Stabilization Program. Mr. Jahr is a graduate of the New School College. While at Citibank, he sat on the boards of several not-for-profit corporations including the Settlement Housing Fund, NHS CDC, the NYC Housing Partnership CDC, the Citizens Housing and Planning Council, Neighborhood Restore and The Brooklyn Historical Society.

RICHARD M. FROEHLICH, Executive Vice President and General Counsel. Mr. Froehlich, an attorney and member of the New York State Bar, was appointed Executive Vice President for Capital Markets of the Corporation on February 27, 2008 and is also the General Counsel of the Corporation. He was originally appointed Senior Vice President and General Counsel of the Corporation effective November 17, 2003. Prior to joining the Corporation, he was Counsel at the law firm of O'Melveny & Myers LLP in its New York City office, where Mr. Froehlich's practice focused on real estate, public finance and affordable housing. From 1993 to 1998, Mr. Froehlich was an Assistant Counsel at the New York State Housing Finance Agency. Upon graduation from law school, he was an associate at Skadden, Arps, Slate, Meagher & Flom. Mr. Froehlich received his B.A. degree from Columbia College and his J.D. from Columbia University School of Law. He is on the board of directors of New Destiny Housing Corp., a New York non-profit corporation and an Adjunct Assistant Professor of Urban Planning at Columbia University.

MATHEW M. WAMBUA, Executive Vice President. Mr. Wambua was appointed Executive Vice President for Real Estate and External Relations of the Corporation on February 27, 2008. He was a Member and Vice Chairperson of the Corporation from May 2006 through February 2008. Prior to joining the Corporation, Mr. Wambua served as the Senior Policy Advisor for the New York City Deputy Mayor of Economic Development where he focused on housing issues and large-scale planning projects. Mr. Wambua also was Vice President for Special Projects at the New York City Economic Development Corporation. He previously was a senior investment officer for General Electric Capital Commercial Real Estate. Mr. Wambua earned a B.A. from the University of California at Berkeley and a Masters in Public Policy from Harvard University's John F. Kennedy School of Government. Mr. Wambua previously taught real estate finance at New York University and managerial economics at the New School University.

ELLEN K. DUFFY, Senior Vice President for Debt Issuance and Finance. Ms. Duffy was appointed Senior Vice President of the Corporation on September 15, 2009 effective September 21, 2009. Prior to joining the Corporation, Ms. Duffy was a principal of the housing finance group at Bank of America Securities ("BAS"). At BAS, Ms. Duffy focused on quantitative structuring of transactions and cash flow analysis for state and local housing issuers. Ms. Duffy previously held positions in the housing areas of the public finance groups at CS First Boston, First Union Securities and Citicorp Investment Bank. Ms. Duffy holds a B.A. in Economics from Providence College.

TERESA GIGLIELLO, Senior Vice President—Portfolio Management. Ms. Gigliello was appointed a Senior Vice President of the Corporation on August 3, 1998. Prior to such appointment, Ms. Gigliello held the position of Director of Audit. She began her career with the Corporation in 1985 as an accountant and served as the Corporation's Internal Auditor from 1986 until her appointment as Director of Audit in 1995. Ms. Gigliello received a Bachelor of Science degree from St. John's University.

EILEEN M. O'REILLY, Senior Vice President. Ms. O'Reilly was appointed Senior Vice President for Loan Servicing of the Corporation on September 15, 2009. Prior to such appointment she acted as Chief Financial Officer of the Corporation since May 2, 2007. She joined the Corporation as Acting Senior Vice President on March 19, 2007. Prior to joining the Corporation, Ms. O'Reilly was a principal of Gramercy Capital Consulting, a consulting firm where she advised clients in implementing financial programs and marketing initiatives. Previously, she held several positions at Fidelity Investments, PaineWebber and Kidder Peabody. Ms. O'Reilly holds a B.A. in Economics from Tufts University and an M.B.A. degree from Columbia Business School.

JOAN TALLY, Senior Vice President for Development. Ms. Tally was appointed Senior Vice President for Development of the Corporation on February 27, 2008. She had been acting head of the Corporation's Development Department since October 1, 2007 and served as the Vice President of Development since April 2007. In September 2001, Ms. Tally began her career at the Corporation as a project manager structuring financing programs and underwriting transactions and was promoted first to Senior Project Manager and then Assistant Vice President in December 2005. Her previous experience includes planning and development work at the Manhattan Borough President's Office and with Neighborhood Housing Services of New York City. Ms. Tally holds a Master of Urban Planning and a B.A. in Urban Studies from Hunter College of the City University of New York.

MELISSA BARKAN, Deputy General Counsel and Secretary. Ms. Barkan was appointed Secretary of the Corporation on May 2, 2007. She was appointed Deputy General Counsel on March 1, 2007. Prior to her appointments she held the position of Associate General Counsel and Assistant Secretary. In 1999, Ms. Barkan joined the Corporation as an Assistant General Counsel. Before joining the Corporation, Ms. Barkan was associated with a New York law firm where her practice focused on real estate acquisitions and financing. Ms. Barkan received her B.S. degree from the School of Business at the State University of New York at Albany and her J.D. from Brooklyn Law School. Ms. Barkan is a member of the New York State Bar.

THE MORTGAGE LOAN

The Resolution authorizes the Corporation to issue the 2009 Bonds to refund the Prior Bonds, which were issued to provide moneys to finance the Mortgage Loan for the purposes of paying a portion of the costs of

constructing and equipping the Project. As a condition to the initial issuance and delivery of the 2009 Bonds, the Credit Issuer is to deliver the Letter of Credit to the Trustee and the Confirming Bank is to deliver the Confirming Letter of Credit to the Trustee. In addition, the Corporation and the Mortgagor entered into a construction and project loan agreement (as the same may be amended or supplemented, the "Loan Agreement"), simultaneously with the issuance of the Prior Bonds. The Mortgage Loan is (i) evidenced by one or more mortgage notes (as the same may be amended or supplemented, collectively, the "Mortgage Note"), in an aggregate amount equal to the principal amount of the 2009 Bonds, executed by the Mortgagor in favor of the Corporation, and (ii) secured by one or more mortgages executed by the Mortgagor (as the same may be amended or supplemented, collectively, the "Mortgage"). The Mortgagor is required under the Mortgage Note to make payments sufficient to pay principal of and interest on the 2009 Bonds. Pursuant to the terms of the Prior Resolution and the Assignment and Servicing Agreement by and among the Corporation, the Trustee and the Credit Issuer, and acknowledged by the Mortgagor (the "Assignment"), the Corporation has assigned to the Trustee and the Credit Issuer, all of its right, title and interest in the Mortgage Loan, the Loan Agreement, the Mortgage Note, the Mortgage and other assigned documents (except certain reserved rights as described in the Assignment). If the costs of constructing and equipping the Project are less than the amount originally anticipated and, in turn, the Mortgage Loan is made in an amount less than the amount originally anticipated, a portion of the 2009 Bonds may be redeemed. See "DESCRIPTION OF THE 2009 BONDS—Redemption of 2009 Bonds—Optional—Special Redemption".

The Mortgagor has agreed to pay fees to the Credit Issuer in connection with the issuance and maintenance of the Letter of Credit and to indemnify the Credit Issuer in certain circumstances. Failure of the Mortgagor to make payments when due under the Mortgage Loan or the Credit Agreement, as the case may be, will result in an event of default under the Credit Agreement and may, at the option of the Credit Issuer, result in a mandatory tender or redemption, in whole or in part, of the 2009 Bonds. See "DESCRIPTION OF THE 2009 BONDS—Credit Issuer's Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon an Event of Termination" and "—Redemption of 2009 Bonds—Mandatory—Mandatory Redemption Upon a Declaration of Acceleration Following an Event of Termination" and "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT".

The Mortgagor's only asset is the Project. The Mortgage Loan is a non-recourse obligation of the Mortgagor with respect to which its member has no personal liability and as to which its member has not pledged for the benefit of the Bondholders any of its assets.

THE PROJECT AND THE MORTGAGOR

The Mortgagor has provided the following information regarding the Mortgagor and the Project for use herein. While the information is believed to be reliable, neither the Corporation, the Credit Issuer, the Confirming Bank, the Underwriter nor any of their respective counsel, members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

The Project

The 2009 Bonds are being issued to refund the Prior Bonds, which were issued to finance the Mortgage Loan originally made to the Mortgagor for the purposes of financing a portion of the construction and equipping of the Project, to be located on an approximately 2.49± acre parcel of land (the "Project Site") located on the Queens College campus to the south of the Fitzgerald Gym and to the north of the Rosenthal Library, at 64-80 Kissena Boulevard in the Borough and County of Queens, City and State of New York. The Dormitory Authority of the State of New York, the fee owner of the Project Site, has leased the Project Site to the Mortgagor pursuant to the terms of a long-term ground lease (the "Ground Lease"). Under the Ground Lease, the Mortgagor is permitted to develop, construct, use, maintain and operate the Project as a residential facility for students, faculty and staff of Queens College and other senior colleges and community colleges within the CUNY system.

The Project has been substantially completed and is open and occupied by students. Temporary certificates of occupancy for the Project were issued by the New York City Department of Buildings on July 24, 2009, August 21, 2009, and September 18, 2009.

The Project consists of a single building (the "Residential Building") with three, four and five story sections connected by walkways, consisting of approximately 155,738 square feet, with an underground garage for

approximately 89 cars, located on the Project Site. The Residential Building is comprised of 144 apartment units with a total of 506 beds. Each apartment unit includes a kitchen with stove, refrigerator, sink and microwave oven. The residential unit mix and approximate square footage of each respective apartment type are set forth in the table below:

<u>Number of Units</u>	<u>Number of Beds</u>	<u>Apartment Type</u>	<u>Average Square Footage</u>
52	208	4 Bedroom Single/2 Bath	949
56	224	2 Bedroom Shared/2 Bath	776
2	8	2 Bedroom Shared/2 Bath Corner	922
13	39	2 Bedroom/2 Bath Corner/1 Bedroom Shared/1 Single*	807
5	10	2 Bedroom Single/1 Bath	726
11	11	Resident Advisor Unit	387
3	3	Faculty/Staff Apartment (1 Bedroom/1 Bath)	776
1	2	Resident Director Apartment (2 Bedroom/1 Bath)	854
1	1	Assistant Director Apartment (1 Bedroom/1 Bath)	417

* Includes three (3) ADA units.

Each resident has his or her own closet, semi-private vanity area with sink, twin-sized bed (lofting optional), desk, chair, and stackable dresser in the bedroom/bath area. Residents have access to cable television outlets in each bedroom and shared living room area. The living room area includes sofa and chair with end table and furniture suitable for locating the resident's television set or stereo system. Dining table and chairs suitable to the unit size are included in the common area space. Wireless internet service is available throughout the facility, including outdoor patio areas. Emergency phones in the parking garage beneath the Residential Building and CCTV, strategically placed on each floor and in the parking garage beneath the Residential Building, are connected to Queens College campus security.

Amenities include laundry facilities, resident mail box area, fitness center, conference rooms, a social lounge with television and soft seating, public restrooms, administrative offices and conference area, mechanical and maintenance areas. Covered bicycle parking will be located on the south plaza. The Project is expected to be LEED Silver-certified, based upon the types of building materials, the nature of its landscaping, energy efficiency and minimal land disturbance.

The Mortgagor expects that the Project will be exempt from real estate taxes levied by The City of New York.

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay debt service on the Mortgage Loan, operating expenses of the Project, Credit Issuer fees, Remarketing Agent fees, Trustee and Tender Agent fees, and fees owed to the Corporation. The ability of the Mortgagor to generate sufficient revenues will be affected by a variety of factors including, but not limited to, the ability to achieve requisite Project occupancy and increases in license fees payable by residents to cover increases in debt service and operating expenses, Project management, adverse changes in applicable laws and regulations, and general economic conditions and other factors in the metropolitan area

surrounding the Project. Furthermore, adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and license fee income of the Project. Failure of the Mortgagor to make payments under the Mortgage Loan will result in an event of default under the Credit Agreement and may, at the option of the Credit Issuer, result in a mandatory tender or redemption in whole or in part of the 2009 Bonds. See “DESCRIPTION OF THE 2009 BONDS—Credit Issuer’s Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon an Event of Termination” and “Redemption of 2009 Bonds—Mandatory—Mandatory Redemption Upon a Declaration of Acceleration—Following an Event of Termination” and “SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT”.

The Developer.

The developer for the Project is Capstone Development Corp. (the “Developer”), which has entered into a guaranteed maximum price development agreement with the Mortgagor and the City University of New York (“CUNY”). The Developer is an Alabama S corporation formed in 1990 for the express purpose of developing student housing communities. As of the present date, the Developer has developed (or has been selected to develop) approximately 50,000 student beds, on or near 55 separate collegiate campuses (including the Project). The Developer’s corporate headquarters are located in Birmingham, Alabama. The original founding members of the Developer had completed six previous projects, beginning in 1985. These members were employed with an Alabama based development/construction company, and left that firm in 1989 to form the Developer. Since the formation of the Developer, staff has been added to specialize in marketing, design and engineering, finance, and construction management in order to assure that employees of the Developer have expertise in all necessary disciplines. The Developer has a staff of two hundred fifty (250) full-time employees, including in-house legal counsel, three architects, three CPA’s, and an MAI appraiser.

The Manager.

The management agent for the Project is Capstone On-Campus Management, LLC (the “Manager”) which has entered into a management agreement with the Mortgagor and CUNY. The Manager, an Alabama limited liability company, is an affiliate of the Developer formed in 2003 for the express purpose of managing and maintaining student housing communities. As of the present date, the Manager manages (or has been selected to manage) approximately 14,000 private beds of housing on 18 separate collegiate campuses (including the Project). The Manager’s headquarters are in Birmingham, Alabama, with on-site property managers at each student housing development location as well as regional management supervision.

The Mortgagor

The Mortgagor is a New York limited liability company that was established in 2007 by Queens College Special Projects Fund, Inc. (the “Special Projects Fund”) for the purpose of benefiting and supporting the charitable and educational activities of the Special Projects Fund and, more specifically, to develop, own and operate a residential facility on the campus of Queens College, a senior college within CUNY. The Mortgagor is not engaged in any business operations and has no material assets other than its interest in the Project. Accordingly, it is expected that the Mortgagor will not have any sources of funds to make payments on the Mortgage Loan other than revenues generated by the Project.

The Special Projects Fund

The Special Projects Fund is the sole member of the Mortgagor and was established in 1998, among other purposes, to promote and foster the educational mission, programs and activities of Queens College by acquiring title to, leasing, constructing or otherwise maintaining real property and physical facilities. The Special Projects Fund was formed as a not-for-profit corporation and as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The board of directors of the Special Projects Fund consists of the President, Provost/Senior Vice President for Academic Affairs and three other vice presidents of Queens College. All of the officers of the Mortgagor are currently members of the board of directors of the Special Projects Fund.

City University of New York

CUNY is a separate and distinct body established under Article 125 of the New York State Education Law. CUNY comprises 23 institutions, including 11 senior colleges (“Senior Colleges”), 6 community colleges and various graduate and professional schools. CUNY was established in 1961 by combining existing educational institutions into one university. Each of the Senior Colleges is accredited by the Middle States Association of Colleges and Secondary Schools, and all programs offered are authorized by the Regents of the University of the State of New York Education Department.

The Chancellor of CUNY and the President of Queens College have determined that providing a residence facility on the Queens College campus would promote and enhance the educational mission of Queens College and CUNY. CUNY has agreed to assist the Manager in marketing the Project, to bill for and collect license fees from residents and to remit such license fees collected to the Credit Issuer for application pursuant to the terms of the Credit Agreement. However, CUNY has no obligation with respect to payment of the Mortgage Loan.

CREDIT ISSUER

The following information concerning RBS Citizens, National Association (the “Bank”) has been provided by representatives of the Bank and has not been independently certified or verified by the Corporation, the Mortgagor or the Underwriter.

The Bank is a national banking association with its main office in Providence, Rhode Island. Except for directors’ qualifying shares, the Bank is a wholly-owned subsidiary of Citizens Financial Group, Inc. (“Citizens”). Citizens is also the parent holding company for Citizens Bank of Pennsylvania and numerous other non-bank entities, and is owned by The Royal Bank of Scotland Group plc (“RBS”). RBS acquired Citizens in 1988.

The Bank was chartered in May 2005 under the name “Citizens Bank, National Association”. The Bank’s name changed from “Citizens Bank, National Association” to “RBS Citizens, National Association” in connection with the mergers of each of the following Citizens subsidiaries — Charter One Bank, National Association, RBS National Bank, Citizens Bank of Massachusetts, Citizens Bank of Connecticut, Citizens Bank of New Hampshire, Citizens Bank of Rhode Island, Citizens Bank (Delaware), and CCO Mortgage Corp. — with and into Citizens Bank, National Association. Citizens Bank, National Association survived these mergers under its charter and with the new title of RBS Citizens, National Association. These mergers (as well as the name change) were effective as of September 1, 2007.

The Bank offers a wide range of retail and commercial banking services. Its loan portfolio is divided between commercial loans, including leases and commercial real estate loans, and consumer loans, including residential real estate mortgage loans. The Bank does business through its divisions, including Citizens Bank, Charter One, CCO Mortgage and RBS Card Services.

The Bank is subject to supervision and examination by the Office of the Comptroller of the Currency. It is also subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the Bank’s operations.

The Letter of Credit is an obligation of the Bank, and is not an obligation of Citizens, RBS or any of their other subsidiaries or affiliates.

Citizens is a Providence-based commercial bank holding company. As of June 30, 2009, Citizens had \$153.3 billion in assets, total equity capital of \$20.4 billion, total deposits of \$99.7 billion, total loans and leases before allowance for loan losses of \$104.1 billion (\$101.2 billion net of allowance) and 21,110 full time equivalent employees.

Based on the annual Summary of Deposits report for June 30, 2009, the Bank had 1,188 branches. As of June 30, 2009 the Bank had total assets of \$121.9 billion, total deposits of \$78.4 billion, total loans and leases before allowance for loan losses of \$86.5 billion (\$83.8 billion net of allowance), and total equity capital of \$16.5 billion.

The foregoing summary information is provided for convenience purposes only. Important additional information with respect to Citizens and the Bank is contained in the publicly available portions of the Bank's Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices - FFIEC 031, as submitted to the Federal Deposit Insurance Corporation.

Except as set forth under this heading captioned "Credit Issuer", neither the Bank nor its affiliates make any representations as to the contents of this Official Statement, the suitability of the 2009 Bonds for any investor, the feasibility or performance of any project or compliance with any securities or tax laws and regulations.

CONFIRMING BANK

The information under this heading has been furnished by the Federal Home Loan Bank of Boston (the "Confirming Bank"), and has not been independently verified by the Corporation, the Trustee, the Mortgagor, the Underwriter or the Credit Issuer. None of the Corporation, the Trustee, the Mortgagor, the Underwriter or the Credit Issuer make any representation whatsoever as to the accuracy, adequacy or completeness of such information.

The Confirming Bank is a federally chartered corporation organized by Congress in 1932 and is a government-sponsored enterprise (GSE). The Confirming Bank is privately capitalized and its mission is to serve the residential-mortgage and community-development lending activities of its member institutions and housing associates located in the New England region. Altogether, there are 12 district Federal Home Loan Banks (FHLBanks) located across the United States (U.S.), each supporting the lending activities of member financial institutions within their specific regions. Each FHLBank is a separate entity with its own board of directors, management, and employees.

The Confirming Bank combines private capital and public sponsorship that enables its member institutions and housing associates to assure the flow of credit and other services for housing and community development. The Confirming Bank serves the public through its member institutions and housing associates by providing these institutions with a readily available, low-cost source of funds, thereby enhancing the availability of residential-mortgage and community-investment credit. In addition, the Confirming Bank provides members a means of liquidity through a mortgage-purchase program. Under this program, members are offered the opportunity to originate mortgage loans for sale to the Confirming Bank. The Confirming Bank's primary source of income is derived from the spread between interest-earning assets and interest-bearing liabilities. The Confirming Bank borrows funds at favorable rates due to its GSE status.

The Confirming Bank's members and housing associates are comprised of institutions located throughout the New England region. The region is comprised of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Institutions eligible for membership include thrift institutions (savings banks, savings and loan associations, and cooperative banks), commercial banks, credit unions, and insurance companies that are active in housing finance. The Confirming Bank is also authorized to lend to certain nonmember institutions (called housing associates) such as state housing-finance agencies located in New England. Members are required to purchase and hold the Confirming Bank's capital stock for advances and certain other activities transacted with the Confirming Bank. The par value of the Confirming Bank's capital stock is \$100 and is not publicly traded on any stock exchange. In addition, the U.S. government guarantees neither the member's investment in nor any dividend on the Confirming Bank's stock. The Confirming Bank is capitalized by the capital stock purchased by its members and by retained earnings. Members may receive dividends, which are determined by the Confirming Bank's board of directors, and may redeem their capital stock at par value after satisfying certain requirements. The Federal Housing Finance Board (Finance Board), an independent agency in the executive branch of the U.S. government, supervised and regulated the FHLBanks through July 29, 2008. With the passage of the Housing and Economic Recovery Act of 2008 (HERA), the newly-established, independent Federal Housing Finance Agency (Finance Agency) became the new regulator of the FHLBanks, effective July 30, 2008. All existing regulations, orders, and decisions of the Finance Board remain in effect until modified or superseded. The Finance Board was abolished one year after the date of enactment of HERA.

The Office of Finance was established by the Finance Board to facilitate the issuing and servicing of consolidated obligations (COs) of the FHLBanks. These COs are issued on a joint basis. The FHLBanks, through the Office of Finance as their agent, are the issuers of COs for which they are jointly and severally liable. The Office of Finance also provides the FHLBanks with credit and market data and maintains the FHLBanks' joint relationships with credit-rating agencies. The Office of Finance manages the Resolution Funding Corporation (REFCorp) and Financing Corporation programs.

Moody's Investors Service, Inc. ("Moody's") currently rates the Confirming Bank's long-term bank deposits as "Aaa" and short-term bank deposits as "P-1". Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. ("Standard & Poor's") rates the Confirming Bank's long-term issuer credit as "AAA" and its short-term issuer credit as "A-1+". Further information with respect to such ratings may be obtained from Moody's and Standard & Poor's, respectively. No assurances can be given that the current ratings of the Confirming Bank and its instruments will be maintained.

The Confirming Bank refers any purchaser or prospective purchaser of the Bonds to all annual, quarterly and current reports filed by the Confirming Bank with the Securities and Exchange Commission.

DESCRIPTION OF THE 2009 BONDS

General

The 2009 Bonds are to be dated and will mature as set forth on the cover of this Official Statement. The 2009 Bonds will bear interest from the date of their delivery, or from the most recent date to which interest has been paid or provided for, until payment of the principal thereof is made or provided for in accordance with the provisions of the Resolution, whether at maturity on June 1, 2043, upon redemption or otherwise. The 2009 Bonds are being issued as variable rate obligations which will bear interest from their date of issue through and including November 4, 2009 at a rate per annum set forth in a Certificate of the Corporation delivered on the date of issuance of the 2009 Bonds. Thereafter, the 2009 Bonds will bear interest initially at the Weekly Rate as determined from time to time by the Remarketing Agent. At no time shall the interest rate on the 2009 Bonds exceed the Maximum Rate. The 2009 Bonds are subject to conversion to alternate methods of determining interest rates thereon from time to time and to conversion to an interest rate fixed to maturity upon the terms and conditions described herein.

This Official Statement in general describes the 2009 Bonds only while the 2009 Bonds bear interest at a Weekly Rate.

The 2009 Bonds shall be issued solely in fully registered form, without coupons, issuable during a Weekly Rate Period in the denomination of \$100,000 or any \$5,000 increment in excess of \$100,000.

Interest on the 2009 Bonds shall be payable on a monthly basis on the first Business Day of each month commencing December, 2009, on any Change Date and on the final maturity date of the 2009 Bonds. Interest on the 2009 Bonds shall be computed on the basis of a 365 or 366 day year, actual number of days elapsed from each Interest Payment Date to the date preceding the next Interest Payment Date.

Book-Entry-Only System

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the 2009 Bonds. The 2009 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2009 Bond certificate will be issued in the aggregate principal amount of the 2009 Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with

DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, "Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2009 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2009 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2009 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the 2009 Bonds, except in the event that use of the book-entry system for such 2009 Bonds is discontinued.

To facilitate subsequent transfers, all 2009 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2009 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2009 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2009 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2009 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2009 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2009 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2009 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriter, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2009 Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such 2009 Bonds by causing the Direct Participant to transfer the Participant's interest in such 2009 Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of the 2009 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2009 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2009 Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the 2009 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2009 Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2009 Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation and the Underwriter believe to be reliable, but neither the Corporation nor the Underwriter takes responsibility for the accuracy thereof. The Beneficial Owners should confirm the foregoing information with DTC or the Direct Participants or the Indirect Participants.

Each person for whom a Participant acquires an interest in the 2009 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE CORPORATION, THE UNDERWRITER, NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2009 BONDS.

So long as Cede & Co. is the registered owner of the 2009 Bonds, as nominee for DTC, references herein to Bond owners or registered owners of the 2009 Bonds (other than under the caption "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2009 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Trustee to DTC only.

For every transfer and exchange of 2009 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Corporation, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2009 Bonds if the Corporation determines that (i) DTC is unable to discharge its responsibilities with respect to the 2009 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by the Corporation or restricted registration is no longer in effect, 2009 Bond certificates will be delivered as described in the Resolution.

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2009 Bond is held in book-entry form, such 2009 Bond need not be delivered in connection with any optional or mandatory tender of 2009 Bonds described under "DESCRIPTION OF THE 2009 BONDS". In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2009 Bonds on the date designated for such payment, without further action by the Beneficial Owner who delivered notice, and, notwithstanding the description of optional and mandatory tender of 2009 Bonds contained under "DESCRIPTION OF THE 2009 BONDS," transfer of beneficial ownership shall be made in accordance with the procedures of DTC.

NONE OF THE CORPORATION, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2009 BONDS UNDER THE RESOLUTION; (iii) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2009 BONDS; (iv) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2009 BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2009 BONDS; OR (vi) ANY OTHER MATTER.

Interest Rate Periods

Weekly Rate Period. The 2009 Bonds shall bear interest at the Weekly Rate determined in accordance with the Resolution, during the period from the date of initial issuance and delivery of the 2009 Bonds to the earlier of the first Interest Method Change Date or the final maturity or redemption in whole of the 2009 Bonds.

The Weekly Rate shall be the lowest interest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent as of the date of determination and under prevailing market conditions, would result as nearly as practicable in the market price for the 2009 Bonds on the Weekly Effective Rate Date being one hundred percent (100%) of the principal amount thereof, such interest rate to be determined as follows. The Remarketing Agent shall determine the Weekly Rate not later than 10:00 a.m., New York City time, on the Weekly Effective Rate Date for each Weekly Rate Term; provided, however, that the Weekly Rate from the date of initial issuance and delivery of the 2009 Bonds through and including November 4, 2009 shall be the rate for the 2009 Bonds determined by the Corporation and delivered in writing to the Trustee on the date of such issuance and delivery. The Remarketing Agent shall immediately give notice of the determination of any Weekly Rate to the Corporation, the Mortgagor, the Trustee, the Tender Agent, the Credit Issuer and the Confirming Bank by telecopy or other similar means of electronic communication or by such other method of communication as shall be mutually agreed upon by the Remarketing Agent and the recipients of such notice.

On the Business Day immediately following (i) the issuance and delivery of the 2009 Bonds and (ii) the establishment of any subsequent Weekly Rate Period, the Trustee shall deliver or mail by first-class mail, postage prepaid or by facsimile transmission or other similar electronic means, to the owner of each 2009 Bond, at the address shown on the registration books of the Corporation, a notice stating the Weekly Rate to be borne by the 2009 Bonds, and that from and after the Weekly Effective Rate Date the 2009 Bonds will bear interest at the Weekly Rate for the duration of the Weekly Rate Period. Such notice shall further specify the name, address and telephone number of the person or persons from whom information with respect to the Weekly Rate for each succeeding Weekly Rate Term may be obtained. Unless an Interest Method Change Date occurs, a new Weekly Rate Term shall automatically commence on the day after the termination of the current Weekly Rate Term.

If for any reason the position of the Remarketing Agent is vacant, or if the Remarketing Agent fails in the performance of its duty to determine the Weekly Rate for any Weekly Rate Term or the Weekly Rate is held to be invalid or unenforceable by a court of law, as set forth in a written notice from the Corporation to the Trustee, the Weekly Rate for such Weekly Rate Term shall be determined by the Trustee and shall be one hundred percent (100%) of the most recent The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index theretofore published in The Bond Buyer or otherwise made available to the Trustee.

Interest Rate Changes. No change in the method of determining the interest rate on the 2009 Bonds shall be made unless the Trustee has received, at least thirty (30) days prior to the Change Date, (1) a Certificate of an Authorized Officer of the Mortgagor specifying (i) the date which is to be the Interest Method Change Date, and (ii) the method of determining the interest rate which shall take effect on such date, (2) a Certificate of an Authorized Officer of the Credit Issuer, evidencing consent to such change by the Credit Issuer if a Credit Facility is then in effect and, if necessary, an amendment to such Credit Facility conforming such Credit Facility to the requirements of the Resolution applicable to such instrument from and after the Interest Method Change Date, together with various opinions of counsels as set forth in the Resolution, or provision for the issuance of a Substitute Letter of Credit or Alternate Security meeting the requirements of the Resolution, in which case the Interest Method

Change Date shall also be a Facility Change Date, and (3) an opinion of Bond Counsel to the Corporation to the effect that the proposed change in the method of determining the interest rate on the 2009 Bonds is consistent with the provisions of the Resolution and will not adversely affect the exclusion of the interest on the 2009 Bonds from gross income for Federal income tax purposes.

Purchase of the 2009 Bonds on Demand of Owner

Each owner of a 2009 Bond may by delivery of a written, personal, electronic or telephonic notice of tender to the Principal Office of the Tender Agent at 100 Wall Street, Suite 1600, New York, New York 10005, Attention: Corporate Trust Services (or such other address as may be established by the Tender Agent from time to time), and the Remarketing Agent at One Liberty Plaza, Second Floor, New York, New York 10006-1446, Attention: Short-Term Desk (or such other address as may be established by the Remarketing Agent from time to time) prior to 5:00 p.m., New York City time, on any Business Day not less than seven (7) calendar days before the particular Business Day chosen as the purchase date, demand payment of the Purchase Price on and as of such purchase date of all or a portion of the 2009 Bonds, in any denomination authorized by the Resolution; provided, however, that no 2009 Bonds shall be purchased unless any remaining 2009 Bonds of such owner are in a denomination authorized by the Resolution. Each such notice of tender shall be irrevocable and effective upon receipt and shall:

(i) be delivered to the Tender Agent and the Remarketing Agent at their respective Principal Offices and be in a form satisfactory to the Tender Agent; and

(ii) state (A) the aggregate principal amount of the 2009 Bonds to be purchased and the numbers of such 2009 Bonds to be purchased and (B) the date on which such 2009 Bonds are to be purchased, which date shall be a Business Day not prior to the seventh (7th) day next succeeding the date of delivery of such notice and which date will be prior to any Change Date.

If any 2009 Bonds are to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, the owner of such 2009 Bond demanding purchase thereof shall deliver to the Tender Agent a due bill check, payable to bearer, for interest due on such Interest Payment Date.

Any 2009 Bonds for which a demand for purchase has been made shall be delivered to the Tender Agent, as agent for the Credit Issuer, at or prior to 12:00 noon, New York City time, on the date designated for purchase, with an appropriate endorsement for transfer, or accompanied by a bond power endorsed in blank.

Any 2009 Bonds not so delivered to the Tender Agent on or prior to the purchase date (“Undelivered 2009 Bonds”) for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent an amount of moneys sufficient to pay the Purchase Price of such Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price. IN THE EVENT OF A FAILURE BY AN OWNER OF AFFECTED 2009 BONDS TO DELIVER ITS AFFECTED 2009 BONDS ON OR PRIOR TO THE PURCHASE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

Notwithstanding the above, in the event that any 2009 Bond whose owner has exercised its demand purchase option is remarketed to such owner, such owner need not deliver such 2009 Bond to the Tender Agent, but such 2009 Bond shall be deemed to have been delivered to the Tender Agent and redelivered to such owner.

Mandatory Purchase of 2009 Bonds on Interest Method Change Date

The 2009 Bonds shall be subject to mandatory tender for purchase on any Interest Method Change Date at the Purchase Price. The Trustee shall deliver, or mail by first class mail, postage prepaid, to the Remarketing Agent and to the owner of each 2009 Bond, at its address shown on the registration books of the Corporation held by the Trustee, a notice not later than fifteen (15) days prior to the Interest Method Change Date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Such notice shall set forth, in substance, the Interest Method Change Date and reason therefor, that such owners of

2009 Bonds shall be deemed to have tendered their 2009 Bonds for purchase on the Interest Method Change Date, and the Purchase Price for such 2009 Bonds.

Owners of 2009 Bonds shall be required to tender their 2009 Bonds to the Tender Agent for purchase at the Purchase Price on the Interest Method Change Date with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any Undelivered 2009 Bonds for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of such Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price on the Interest Method Change Date. **IN THE EVENT OF A FAILURE BY AN OWNER OF 2009 BONDS TO DELIVER ITS 2009 BONDS ON OR PRIOR TO THE INTEREST METHOD CHANGE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE INTEREST METHOD CHANGE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.**

Mandatory Purchase of 2009 Bonds Upon Replacement, Termination or Expiration of Credit Facility

On any Facility Change Date the 2009 Bonds are subject to mandatory tender for purchase at the Purchase Price. In connection with a purchase on a Facility Change Date, the Trustee shall deliver, or mail by first class mail, postage prepaid, a notice not later than fifteen (15) days prior to the Facility Change Date to the Remarketing Agent and to the owner of each 2009 Bond at its address shown on the registration books of the Corporation held by the Trustee. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Such notice shall set forth, in substance, the Facility Change Date and reason therefor, that all owners of 2009 Bonds shall be deemed to have tendered their 2009 Bonds for purchase on the Facility Change Date and the Purchase Price for such 2009 Bonds.

Owners of 2009 Bonds shall be required to tender their 2009 Bonds to the Tender Agent for purchase at the Purchase Price on the Facility Change Date with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any Undelivered 2009 Bonds for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of the Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price on the Facility Change Date. **IN THE EVENT OF A FAILURE BY AN OWNER OF 2009 BONDS TO DELIVER ITS 2009 BONDS ON OR PRIOR TO THE FACILITY CHANGE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE FACILITY CHANGE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.**

Mortgagor's Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon a Notice of Prepayment of the Mortgage Loan

Pursuant to the Resolution, upon notice to the Trustee from the Corporation of the Mortgagor's election to prepay the Mortgage Loan in full (said notice from the Corporation to the Trustee being defined in the Resolution as a "Notice of Prepayment of the Mortgage Loan"), the Corporation shall specify a Change Date on which all the 2009 Bonds bearing interest at the Weekly Rate shall be subject to mandatory tender for purchase, which Change Date shall be the date specified by the Mortgagor for such prepayment of the Mortgage Loan.

Following receipt by the Trustee of such Notice of Prepayment of the Mortgage Loan, the Trustee shall deliver, or mail by first-class mail, postage prepaid, to the Remarketing Agent and to the owner of each 2009 Bond to which such notice relates, at its address shown on the registration books of the Corporation held by the Trustee, a notice not less than fifteen (15) days prior to such Change Date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice.

Any notice of mandatory tender relating to a Notice of Prepayment of the Mortgage Loan shall set forth, in substance, the Change Date and reason therefor, that all owners of 2009 Bonds shall be deemed to have tendered their 2009 Bonds for purchase on the Change Date and the Purchase Price for the 2009 Bonds. Owners of 2009 Bonds to which a mandatory tender for purchase relates shall be required to tender their 2009 Bonds to the Tender

Agent for purchase at the Purchase Price on the Change Date with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any Undelivered 2009 Bonds for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of the Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price on the Change Date. IN THE EVENT OF A FAILURE BY AN OWNER OF 2009 BONDS TO DELIVER ITS 2009 BONDS ON OR PRIOR TO THE CHANGE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE CHANGE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

Upon such prepayment of the Mortgage Loan and payment to the Credit Issuer (other than from the proceeds of the remarketing of the 2009 Bonds so purchased) of all amounts due under the Credit Agreement, all 2009 Bonds tendered or deemed tendered as a result of such prepayment shall be deemed paid and shall be delivered to the Trustee for cancellation.

Credit Issuer's Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon an Event of Termination

Pursuant to the Resolution, for so long as the Credit Facility is in effect, upon the receipt by the Trustee of written notice from the Credit Issuer that one or more events of default have occurred under the Credit Agreement (defined in the Resolution as an "Event of Termination"), including, but not limited to, a default under the Mortgage Loan or a failure to reimburse the Credit Issuer under the Credit Agreement, the Credit Issuer may specify a Change Date on which the 2009 Bonds shall be subject to mandatory tender for purchase, which Change Date shall not be later than the next Business Day following receipt by the Trustee of the direction to purchase such 2009 Bonds; provided however, that if the Credit Issuer shall have directed that the mandatory tender for purchase of the 2009 Bonds be for a portion of the 2009 Bonds, only such portion of the 2009 Bonds shall be subject to mandatory tender for purchase by the owners thereof on such Change Date, and the particular 2009 Bonds to be tendered (which shall be in authorized denominations) shall be selected by the Trustee by lot, using such method as it shall determine in its sole discretion, except that the Trustee shall not select any 2009 Bond for tender which would result in any remaining 2009 Bonds not being in an authorized denomination as provided in the Resolution. Upon receipt of such written notice from the Credit Issuer, the Trustee shall promptly deliver to the Remarketing Agent and to the owner of each affected 2009 Bond a notice of mandatory tender for purchase by overnight express mail or courier service. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. See "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT".

Any notice of mandatory tender relating to an Event of Termination specified by the Credit Issuer shall set forth, in substance, the Change Date and reason therefor, that all owners of affected 2009 Bonds shall be deemed to have tendered their 2009 Bonds for purchase on the Change Date and the Purchase Price for such 2009 Bonds. Owners of affected 2009 Bonds shall be required to tender their 2009 Bonds to the Tender Agent for purchase at the Purchase Price with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any Undelivered 2009 Bonds for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of the Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price on the Change Date. IN THE EVENT OF A FAILURE BY AN OWNER OF AFFECTED 2009 BONDS TO DELIVER ITS AFFECTED 2009 BONDS ON OR PRIOR TO THE CHANGE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE CHANGE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

Confirming Bank's Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon an Event of Termination

Pursuant to the Resolution, for so long as the Confirming Letter of Credit is in effect, upon the (i) receipt by the Trustee of written notice from the Confirming Bank that the obligation of the Confirming Bank to pay interest on the 2009 Bonds from a draw on the Confirming Letter of Credit will not be reinstated, or (ii) the non-reinstatement of the Confirming Letter of Credit following the tenth (10th) day after a draw thereon to pay the

Purchase Price of the 2009 Bonds, which causes the total available amount under the Confirming Letter of Credit to be less than the principal amount of and interest due on the outstanding 2009 Bonds supported by the Confirming Letter of Credit, the Confirming Bank may specify a Change Date on which all of the 2009 Bonds shall be subject to mandatory tender for purchase, which Change Date shall not be later than the next Business Day following the occurrence of the events described in (i) or (ii) above. Upon receipt of such written notice from the Confirming Bank, the Trustee shall promptly deliver to the Remarketing Agent and to the owner of each 2009 Bond a notice of mandatory tender for purchase by overnight express mail or courier service. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice.

Any notice of mandatory tender relating to an Event of Termination specified by the Confirming Bank shall set forth, in substance, the Change Date and reason therefor, that all owners of 2009 Bonds shall be deemed to have tendered their 2009 Bonds for purchase on the Change Date and the Purchase Price for such 2009 Bonds. Owners of 2009 Bonds shall be required to tender their 2009 Bonds to the Tender Agent for purchase at the Purchase Price with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any Undelivered 2009 Bonds for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of the Undelivered 2009 Bonds shall be deemed to have been purchased at the Purchase Price on the Change Date. IN THE EVENT OF A FAILURE BY AN OWNER OF 2009 BONDS TO DELIVER ITS 2009 BONDS ON OR PRIOR TO THE CHANGE DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE CHANGE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2009 BONDS, AND ANY UNDELIVERED 2009 BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

Additional Provisions Regarding Pledged Bonds

Pursuant to the Resolution, 2009 Bonds for which the Purchase Price is funded with moneys provided under the Credit Facility or the Confirming Bank, as the case may be, and which are not remarketed shall become Pledged Bonds. The Credit Facility and the Confirming Letter of Credit shall not constitute security or provide liquidity support for Pledged Bonds. Pledged Bonds shall be pledged pursuant to the Pledge Agreement.

Failure to pay interest on Pledged Bonds when due, or failure to pay principal and interest on Pledged Bonds upon any Redemption Date or purchase date or the maturity date of Pledged Bonds, shall not constitute an Event of Default under the Resolution. Upon the maturity date of the 2009 Bonds, or upon any Redemption Date for the redemption in whole of the 2009 Bonds (whether by reason of optional or mandatory redemption) or date of acceleration of the 2009 Bonds, all Pledged Bonds shall be deemed cancelled. Pledged Bonds shall also be cancelled at the direction of the Credit Issuer or the Confirming Bank, as the case may be. At such time as a Pledged Bond is remarketed, the Trustee or the Tender Agent, as appropriate, shall (a) remit the proceeds from the remarketing to the Credit Issuer or the Confirming Bank, and (b) to the extent that the Credit Facility or the Confirming Letter of Credit has been reinstated by the amount required as specified in the Resolution, give written notice to the Remarketing Agent, the Mortgagor, the Credit Issuer and the Confirming Bank that such 2009 Bond is no longer a Pledged Bond.

Provisions Affecting 2009 Bonds if a Change of Method of Determining the Interest Rate Cannot be Effected or if a Credit Facility Cannot be Replaced

In the event of a Facility Change Date or an Interest Method Change Date and following the provision of notice of mandatory purchase of 2009 Bonds, the Trustee receives notice from the Corporation or the Remarketing Agent, as applicable, that a change in the method of determining the interest rate on the 2009 Bonds cannot be effected, or a Credit Facility that was to be replaced cannot be replaced, the Change Date shall be cancelled, unless the prior Credit Facility is expiring within sixty (60) days after the Change Date. The Trustee shall promptly deliver or mail by first class mail, postage prepaid, a notice to the owners of the 2009 Bonds stating that such change shall not occur and the reasons therefor.

Changes of Time Period for Provision of Notice Relating to Mandatory Purchase Provision or Demand Purchase Option

The Resolution provides that it is subject to amendment and supplement by a Supplemental Resolution, from time to time, to effect a change with respect to the time periods for provision of notice relating to the Mandatory Purchase Provision, Demand Purchase Option or interest rate determination or the time periods for interest rate determination or the procedure for tendering 2009 Bonds in connection with the Mandatory Purchase Provision or Demand Purchase Option, which Supplemental Resolution may be adopted and become effective (i) upon filing of a copy thereof certified by an Authorized Officer of the Corporation with the Trustee, (ii) upon filing with the Trustee and the Corporation of a consent to such Supplemental Resolution executed by the Trustee, and (iii) after such period of time as the Trustee and the Corporation deem appropriate following notice to the 2009 Bond owners (but not less than thirty (30) days). A copy of any such Supplemental Resolution shall be provided to the owners of the 2009 Bonds.

Delivery of 2009 Bonds in Book-Entry-Only Form

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2009 Bond is held in book-entry form, such 2009 Bond need not be delivered in connection with any optional or mandatory tender of 2009 Bonds described under “DESCRIPTION OF THE 2009 BONDS”. In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2009 Bonds on the date designated for such payment, without further action by the Beneficial Owner who delivered notice, and transfer of beneficial ownership shall be made in accordance with the procedures of DTC. See “DESCRIPTION OF THE 2009 BONDS—Book-Entry-Only System”.

Redemption of 2009 Bonds—Mandatory

Mandatory Sinking Fund Redemption.

The 2009 Bonds are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2009 Bonds to be redeemed, plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on June 1 of each year the principal amount of such 2009 Bonds specified for each of the Redemption Dates shown below:

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
June 1, 2010	\$300,000	June 1, 2027	\$2,045,000
June 1, 2011	270,000	June 1, 2028	2,130,000
June 1, 2012	605,000	June 1, 2029	2,215,000
June 1, 2013	725,000	June 1, 2030	2,300,000
June 1, 2014	855,000	June 1, 2031	2,395,000
June 1, 2015	995,000	June 1, 2032	2,490,000
June 1, 2016	1,145,000	June 1, 2033	2,585,000
June 1, 2017	1,300,000	June 1, 2034	2,690,000
June 1, 2018	1,440,000	June 1, 2035	2,800,000
June 1, 2019	1,495,000	June 1, 2036	2,910,000
June 1, 2020	1,555,000	June 1, 2037	3,025,000
June 1, 2021	1,620,000	June 1, 2038	3,145,000
June 1, 2022	1,685,000	June 1, 2039	3,270,000
June 1, 2023	1,750,000	June 1, 2040	3,400,000
June 1, 2024	1,820,000	June 1, 2041	3,540,000
June 1, 2025	1,890,000	June 1, 2042	3,680,000
June 1, 2026	1,970,000	June 1, 2043 [†]	3,825,000

[†] Stated maturity

The amounts accumulated for each Sinking Fund Payment may be applied by the Trustee, at the direction of the Corporation, prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Payment, to the purchase of the 2009 Bonds to be redeemed from such Sinking Fund Payments, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest to the date of purchase.

Upon the purchase or redemption of any 2009 Bonds, for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments, an amount equal to the principal amount of the 2009 Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the 2009 Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer of the Corporation at the time of such purchase or redemption.

Mandatory Redemption From Certain Recoveries of Principal. The 2009 Bonds shall be subject to mandatory redemption, in whole or in part, at any time prior to maturity, in an amount not in excess of any Recoveries of Principal (other than the advance payment in full of all amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor) at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

Mandatory Redemption on Bankruptcy of Credit Issuer or Confirming Bank. The 2009 Bonds are subject to mandatory redemption, in whole, at any time prior to maturity, if, within 30 days after an Act of Bankruptcy of (i) if the Confirming Letter of Credit is in effect, the Confirming Bank, or (ii) if the Confirming Letter of Credit is not in effect, the Credit Issuer, the Trustee has not received a new Credit Facility or Confirming Letter of Credit, as the case may be, at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds to be redeemed, plus accrued interest to the Redemption Date.

Mandatory Redemption Upon a Declaration of Acceleration.

Following an Event of Default. The 2009 Bonds are subject to mandatory redemption, in whole, without notice, upon a declaration of acceleration by the Trustee as a remedy for an Event of Default under the Resolution, at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date (which Redemption Date shall be the date of such declaration of acceleration).

Following an Event of Termination. The 2009 Bonds are subject to mandatory redemption, in whole or in part, without notice, upon a declaration of acceleration by the Trustee as a remedy for an Event of Termination under the Resolution, at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date (which Redemption Date shall be the date of such declaration of acceleration).

Mandatory Redemption Following a Determination of Taxability. The 2009 Bonds shall be subject to mandatory redemption, in whole, as soon as practicable after the occurrence of a “Determination of Taxability” at a Redemption Price equal to 100% of the aggregate principal amount of the 2009 Bonds to be redeemed, plus accrued interest to the Redemption Date. A “Determination of Taxability” with respect to the 2009 Bonds shall be deemed to occur if there shall be a final decree or judgment of a Federal court, or a final determination by the Internal Revenue Service for which all appeal or challenge periods have expired without challenge or appeal having been instituted, to the effect that the interest paid or payable on any 2009 Bond is or was includable in the gross income of the owner of such 2009 Bond for Federal income tax purposes, other than as a result of the owner of such 2009 Bond being a “substantial user” of the facilities financed by the 2009 Bonds or a “related person” within the meaning of the Code.

Redemption of 2009 Bonds - Optional

Optional Redemption. The 2009 Bonds are subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

Special Redemption. The 2009 Bonds are subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, in an amount not in excess of amounts on deposit in the Bond Proceeds Account representing unexpended amounts allocable to the 2009 Bonds that are not used to finance the Mortgage Loan, at a Redemption Price equal to 100% of the principal amount of the 2009 Bonds or portions thereof to be so redeemed, plus interest accrued thereon to the Redemption Date.

Selection of 2009 Bonds to be Redeemed

In connection with any redemption of the 2009 Bonds in part, the Trustee, after first selecting for redemption any 2009 Bonds pledged to the Credit Issuer and the Confirming Bank, shall select the remaining 2009 Bonds or portions thereof to be redeemed by lot in such manner as the Trustee may determine. The foregoing notwithstanding, for so long as the Credit Facility shall be in effect, (i) the first 2009 Bonds to be redeemed shall be Pledged Bonds and (ii) no 2009 Bond shall be selected for redemption if the portion of such 2009 Bond remaining after such redemption would not be a denomination authorized by the Resolution.

Notice of Redemption

When the Trustee receives notice from the Corporation of its election or direction to redeem the 2009 Bonds, or is required pursuant to the Resolution to redeem the 2009 Bonds, the Trustee is to give notice, in the name of the Corporation, of the redemption of such 2009 Bonds. Such notice is to specify, among other things, the 2009 Bonds to be redeemed, the Redemption Price, the Redemption Date, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable. The Trustee is to mail a copy of such notice, postage prepaid, to the registered owners of any 2009 Bonds or portions of 2009 Bonds which are to be redeemed, at their last addresses appearing upon the registry books not less than fifteen (15) days before the Redemption Date. The foregoing provisions of this paragraph do not apply in the case of any redemption of 2009 Bonds for which, pursuant to the Resolution, notice is not required to be given. If the conditions precedent to the redemption, if any, have been satisfied, interest shall cease to accrue and be payable on the 2009 Bonds after the Redemption Date if notice has been given, or is not required to be given, and if sufficient moneys have been deposited with the Trustee to pay the Redemption Price and interest on the 2009 Bonds on such date. So long as the 2009 Bonds are in book-entry form, notice of redemption shall be given to Cede & Co., as nominee for DTC. See “DESCRIPTION OF THE 2009 BONDS—Book-Entry-Only System”.

Corporation’s Right to Purchase

The Corporation retains the right to purchase the 2009 Bonds at such times, in such amounts and at such prices less than or equal to par as the Corporation shall determine, subject to the provisions of the Resolution, and thereby reduce its obligations, if any, for the 2009 Bonds.

Disclosure Concerning Remarketing of the 2009 Bonds

The information contained under this subheading “Disclosure Concerning Remarketing of the 2009 Bonds” has been provided by the Remarketing Agent for use in this Official Statement but has not been required by the Corporation or the Mortgagor to be included herein and, to the extent such information does not describe express provisions in the Resolution or the Remarketing Agreement, neither the Corporation nor the Mortgagor accepts any responsibility for its accuracy or completeness.

The Remarketing Agent is Paid by the Mortgagor.

The Remarketing Agent's responsibilities include determining the interest rate from time to time and using best efforts to remarket 2009 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), as further described in this Official Statement. The Remarketing Agent was selected by the Corporation and is paid by the Mortgagor for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of 2009 Bonds.

The Remarketing Agent May Purchase 2009 Bonds for its Own Account.

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2009 Bonds for its own account and, in its sole discretion, routinely acquires such tendered 2009 Bonds in order to achieve a successful remarketing of the 2009 Bonds (i.e., because there otherwise are not enough buyers to purchase the 2009 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2009 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2009 Bonds by routinely purchasing and selling 2009 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the 2009 Bonds. The Remarketing Agent may also sell any 2009 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2009 Bonds. The purchase of 2009 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the 2009 Bonds in the market than is actually the case. The practices described above also may result in fewer 2009 Bonds being tendered in a remarketing.

2009 Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date.

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate, not to exceed the Maximum Rate, that would permit the sale of the 2009 Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Weekly Effective Rate Date. The interest rate will reflect, among other factors, the level of market demand for the 2009 Bonds (including whether the Remarketing Agent is willing to purchase 2009 Bonds for its own account). There may or may not be 2009 Bonds tendered and remarketed on a Weekly Effective Rate Date, the Remarketing Agent may or may not be able to remarket any 2009 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell 2009 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2009 Bonds at the remarketing price. In the event the Remarketing Agent owns any 2009 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such 2009 Bonds on any date, including the Weekly Effective Rate Date, at a discount to par to some investors.

The Ability to Sell the 2009 Bonds Other Than through Tender Process May Be Limited.

The Remarketing Agent may buy and sell 2009 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their 2009 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the 2009 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2009 Bonds other than by tendering the 2009 Bonds in accordance with the tender process.

2009 Bonds Not Remarketed.

The Purchase Price of any tendered 2009 Bonds that are not remarketed by the Remarketing Agent is to be paid with the proceeds of a draw under the Letter of Credit and, if applicable, the Confirming Letter of Credit.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2009 Bonds will be used to refund the Prior Bonds, which were issued to fund the Mortgage Loan to the Mortgagor in the principal amount equal to the aggregate principal amount of the Prior Bonds, and to pay a portion of the costs of the construction and equipping of the Project.

SECURITY FOR THE BONDS

Pledge of the Resolution

The Resolution constitutes a contract among the Corporation, the Trustee and the owners of the Bonds issued thereunder and its provisions are for the equal benefit, protection and security of the owners of all such Bonds, each of which, regardless of the time of issue or maturity, is to be of equal rank without preference, priority or distinction except as provided in the Resolution.

The Bonds are special obligations of the Corporation payable from the Revenues and amounts on deposit in the Accounts (other than amounts deposited in or to be deposited in the Rebate Fund) as described herein. In addition, the 2009 Bonds are payable from amounts obtained under the Credit Facility or from amounts obtained under the Confirming Letter of Credit, as the case may be. Payment of the principal or Redemption Price of and interest on all Bonds is secured by a pledge of Revenues, which consists of all payments received by the Corporation from or on account of the Mortgage Loan, including scheduled, delinquent and advance payments of principal and interest, proceeds from the sale, assignment, or other disposition of the Mortgage Loan in the event of a default thereon, proceeds of any insurance or condemnation award, and income derived from the investment of funds held by the Trustee in Accounts established under the Resolution, including earnings and gains received by the Trustee pursuant to any investment agreement. Revenues do not, however, include any administrative or financing fee paid to the Corporation, other escrow deposits or financing, extension, late charges or settlement fees on account of the Mortgage Loan. Payment of the Bonds is also secured by a pledge by the Corporation of the rights and interest of the Corporation in all amounts held in any Accounts (other than amounts deposited in or to be deposited in the Rebate Fund) established pursuant to the Resolution (including the investments of such Accounts, if any). The Credit Issuer shall have certain rights with respect to, among other things, extensions, remedies, waivers, amendments and actions unless there is a Wrongful Dishonor of the Credit Facility by the Credit Issuer or the Credit Facility is no longer in effect, to the extent and as provided in the Resolution.

The pledges described in the immediately preceding paragraph are also subject to the terms and provisions of the Resolution requiring transfers of amounts to the Rebate Fund and permitting the application of the Revenues and amounts in such Accounts for the purposes described therein.

Pursuant to the Assignment, all of the Corporation's rights under the Mortgage Loan (except certain reserved rights as described in the Assignment) will be assigned to the Trustee on behalf of the owners from time to time of the Bonds, as security for the payment of the principal of and interest on the Bonds, and to the Credit Issuer, as security for the obligations of the Mortgagor under the Credit Agreement. The Corporation has also assigned under the Assignment its rights to enforce the terms, covenants and conditions of the Mortgage Loan to the Credit Issuer and the Trustee as their respective interests may appear. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Covenants with Respect to the Mortgage Loan".

Letter of Credit

The 2009 Bonds when initially issued will have the benefit of an irrevocable direct pay Letter of Credit issued by the Credit Issuer, which Letter of Credit will expire on October 28, 2011, unless earlier extended or terminated earlier in accordance with the terms of the Credit Agreement. The Credit Issuer will deliver the Letter of Credit to the Trustee upon the issuance of the 2009 Bonds. Pursuant to the Credit Agreement, the Mortgagor may, upon satisfaction of certain conditions described therein, request a four (4) year extension of the expiration date of the Letter of Credit upon satisfaction of certain other conditions described therein. The Letter of Credit may be replaced with a Substitute Letter of Credit or various other forms of credit enhancement ("Alternate Security"; the Letter of Credit, Substitute Letter of Credit or Alternate Security are referred to as the "Credit Facility"), as described below under the caption "Alternate Security". Upon replacement, termination or expiration of the Letter of Credit, the 2009 Bonds are subject to mandatory tender as described above under the caption "DESCRIPTION OF THE 2009 BONDS—Mandatory Purchase of 2009 Bonds Upon Replacement, Termination or Expiration of Credit Facility". Further information regarding the Letter of Credit is contained under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT" and further information regarding the Credit Issuer is contained under the caption "CREDIT ISSUER".

Confirming Letter of Credit

As further security for the payment of the 2009 Bonds, the Letter of Credit will be confirmed by an irrevocable standby letter of credit confirmation (the “Confirming Letter of Credit”) issued by the Federal Home Loan Bank of Boston (the “Confirming Bank”), which will expire on October 28, 2011, unless earlier extended or terminated earlier in accordance with its terms. Upon non-reinstatement of the Confirming Letter of Credit, the 2009 Bonds are subject to mandatory tender or acceleration at the direction of the Confirming Bank. See “DESCRIPTION OF THE 2009 BONDS—Confirming Bank’s Right To Cause a Mandatory Tender for Purchase of 2009 Bonds Upon an Event of Termination” and “—Redemption of 2009 Bonds—Mandatory—Mandatory Redemption Upon a Declaration of Acceleration—Following an Event of Termination”. Further information regarding the Confirming Bank is contained under the caption “CONFIRMING BANK”.

Alternate Security

Pursuant to the Resolution, the Corporation reserves the right to make provision for or cause the replacement of any Credit Facility; provided, however, that during any Weekly Rate Period, a Credit Facility must be in effect with respect to the 2009 Bonds.

The Corporation may not exercise its right to make provision for or cause the replacement of any Credit Facility, unless the Corporation has provided the Trustee with (i) certain opinions as to, among other things, the effect of such replacement on the tax status of the 2009 Bonds and the legality, validity and enforceability of the new Credit Facility; (ii) a letter from Standard & Poor’s or the national rating agency or agencies then rating the 2009 Bonds (a) in the case of a Substitute Letter of Credit, to the effect that such Substitute Letter of Credit will not result in a reduction or withdrawal of the rating on the 2009 Bonds in effect at the time of such substitution; and (b) in the case of Alternate Security, to the effect that such Alternate Security will provide the 2009 Bonds with an investment grade rating; and (iii) moneys sufficient to pay all costs incurred by the Trustee and the Corporation in connection with the provision of such Credit Facility.

Additional Bonds

Additional Bonds, on parity with the 2009 Bonds then Outstanding, may be issued by the Corporation pursuant to the Resolution for any one or more of the following purposes: (i) financing increases in the Mortgage Loan, (ii) refunding 2009 Bonds, (iii) establishing reserves for such Additional Bonds, and (iv) paying the costs of issuance related to such Additional Bonds. For so long as the Credit Facility and the Confirming Letter of Credit shall be in effect for the 2009 Bonds, no Additional Bonds shall be issued unless such Bonds are secured by the same Credit Facility and the Confirming Letter of Credit in effect for the 2009 Bonds, as such Credit Facility and the Confirming Letter of Credit shall be amended, extended or replaced in connection with the issuance of such Additional Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Parity Bonds”.

2009 Bonds Not a Debt of the State or the City

The 2009 Bonds are not a debt of 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 2009 Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

Set forth below are abridged or summarized excerpts of certain sections of the Resolution. These excerpts do not purport to be complete or to cover all sections of the Resolution. Reference is made to the Resolution, copies of which are on file with the Corporation and the Trustee, for a complete statement of the rights, duties and obligations of the Corporation, the Trustee and the 2009 Bond owners thereunder.

Contract With Bond Owners--Security for Bonds--Limited Obligation

In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of the Resolution shall be deemed to be and shall constitute a contract among the

Corporation, the Trustee and the owners from time to time of such Bonds. The pledges and assignments made in the Resolution and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Corporation shall be for the equal benefit, protection and security of the owners of any and all of such Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Resolution. The Corporation pledges the Revenues and all amounts held in any Account, including investments thereof, established under the Resolution, to the Trustee for the benefit of the Bond owners to secure the payment of the principal or Redemption Price of and interest on the Bonds, subject to provisions permitting the use or application of such amounts for stated purposes, as provided in the Resolution and the Assignment. The foregoing pledge does not include amounts on deposit in or required to be deposited in the Rebate Fund. The Corporation also assigns to the Trustee on behalf of the Bond owners and to the Credit Issuer, as their interests may appear and in accordance with the terms of the Assignment, all of its right, title and interest in and to the Mortgage Loan and the Mortgage Documents, except as otherwise provided in the Assignment. The Bonds shall be special revenue obligations of the Corporation payable solely from the revenues and assets pledged therefor under the Resolution. In addition, the Bonds shall be payable from Credit Facility Payments or from amounts obtained under the Confirming Letter of Credit, as the case may be.

Provisions for Issuance of Bonds

In order to provide sufficient funds to refund the Prior Bonds, Bonds of the Corporation are authorized to be issued without limitation as to amount except as may be provided by law. The Bonds shall be executed by the Corporation for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered upon the order of the Corporation, but only upon the receipt by the Trustee of, among other things:

- a. a Bond Counsel's Opinion to the effect that (i) the Resolution and the Supplemental Resolution, if any, have been duly adopted by the Corporation and are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)); (ii) the Resolution and, if applicable, such Supplemental Resolution create the valid pledge and lien which it or they purport to create of and on the Revenues and all the Accounts established under the Resolution and moneys and securities on deposit therein, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by the Resolution and such Supplemental Resolution; and (iii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such Opinion, and in accordance with the Resolution and such Supplemental Resolution;
- b. a written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation;
- c. the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to the Resolution; and
- d. with respect to the 2009 Bonds, the Letter of Credit and the Confirming Letter of Credit, and with respect to any Additional Bonds, the Credit Facility, if required.

Parity Bonds

Additional Bonds may be issued, at the option of the Corporation, on parity with the Bonds then Outstanding, for the purposes of (i) financing increases in the Mortgage Loan, (ii) refunding Bonds, (iii) establishing reserves for such Additional Bonds and (iv) paying the Costs of Issuance related to such Additional Bonds. Additional Bonds shall contain such terms and provisions as are specified in the Supplemental Resolution authorizing the same. The Supplemental Resolution authorizing such Additional Bonds shall utilize, to the extent possible, Accounts established for the Outstanding Bonds.

For so long as a Credit Facility and the Confirming Letter of Credit shall be in effect for the 2009 Bonds, no Additional Bonds shall be issued unless such Bonds are secured by the same Credit Facility and the Confirming

Letter of Credit in effect for the 2009 Bonds, as such Credit Facility and the Confirming Letter of Credit shall be amended, extended or replaced in connection with the issuance of such Additional Bonds; provided that the Credit Facility and the Confirming Letter of Credit shall not secure Pledged Bonds.

Application and Disbursements of Bond Proceeds

The proceeds of sale of a Series of Bonds shall, as soon as practicable upon the delivery of such Bonds by the Trustee, be applied as follows:

- (1) the amount, if any, received at such time as a premium above the aggregate principal amount of such Bonds shall be applied as specified in a Certificate of an Authorized Officer of the Corporation, and the amount, if any, received as accrued interest shall be deposited in the Revenue Account;
- (2) with respect to any Series issued for the purpose of refunding Bonds, the amount, if any, required to pay Costs of Issuance, as designated by an Authorized Officer of the Corporation, shall be deposited in the Bond Proceeds Account;
- (3) with respect to any Series issued for the purpose of refunding Bonds, the balance remaining after such deposits have been made as specified in (1) and (2) above shall be applied as specified in the Supplemental Resolution authorizing such Series;
- (4) with respect to the 2009 Bonds, the balance remaining after such deposits have been made as specified in (1) above shall be deposited in the Bond Proceeds Account; and
- (5) with respect to any Series (other than the 2009 Bonds) issued for a purpose other than refunding Bonds, the balance remaining after such deposits have been made shall be deposited in the Bond Proceeds Account.

Amounts in the Bond Proceeds Account shall not be disbursed for financing the Mortgage Loan, unless, among other things, (1) the Mortgage Documents and any other document evidencing or securing the Mortgage Loan shall have been duly executed and delivered, (2) there shall have been filed with the Trustee an opinion of counsel to the effect that the Mortgage Loan complies with all provisions of the Act and the Resolution, and (3) the Mortgage is the subject of a policy of title insurance in an amount not less than the amount of the unpaid principal balance of the Mortgage Loan insuring a first mortgage lien subject only to Permitted Encumbrances on the real property securing the Mortgage Loan.

Deposits and Investments

Any amounts held by the Trustee under the Resolution may be deposited in the corporate trust department of the Trustee and secured as provided in the Resolution. In addition, any amount held by the Trustee under the Resolution may be invested in Investment Securities, unless otherwise provided. 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 value, at par.

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

Any other provisions of the Resolution notwithstanding, amounts on deposit in the Letter of Credit Payments Sub-Account, pending application, may only be invested in Government Obligations maturing or being redeemable at the option of the holder thereof in the lesser of thirty (30) days or the times at which such amounts are needed to be expended.

Establishment of Accounts

The Resolution establishes the following special trust accounts to be held and maintained by the Trustee in accordance with the Resolution:

- (1) Bond Proceeds Account (including the Capitalized Moneys Sub-Account therein);
- (2) Revenue Account (including the Letter of Credit Payments Sub-Account therein); and
- (3) Redemption Account.

In the event provision is made for Alternate Security with respect to the Bonds, the Trustee may establish a special trust account with an appropriate designation, and the provisions of the Resolution applicable to the Letter of Credit Payments Sub-Account shall be applicable to the newly created trust account in all respects as if the newly created trust account replaced the Letter of Credit Payments Sub-Account.

Bond Proceeds Account

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

The Corporation may, from time to time, direct the Trustee to transfer moneys in the Bond Proceeds Account to the Capitalized Moneys Sub-Account to be applied in accordance with the provisions of the Resolution.

Amounts in the Bond Proceeds Account shall be expended only (i) to finance the Mortgage Loan; (ii) to pay Costs of Issuance; (iii) to pay principal or Redemption Price of and interest on the Bonds when due, to the extent amounts in the Revenue Account and the Redemption Account are insufficient for such purposes; (iv) to purchase or redeem Bonds in accordance with the Resolution; (v) to reimburse the Credit Issuer for moneys obtained under the Credit Facility or the Confirming Letter of Credit, as the case may be, for the purposes set forth in (iii) above; and (vi) to pay to the Credit Issuer any regularly scheduled fees due and owing to the Credit Issuer pursuant to the Credit Agreement.

Revenue Account

Subject to the provisions of the Assignment, the Corporation shall cause all Pledged Receipts to be deposited promptly with the Trustee in the Revenue Account. During the term of any Credit Facility, the Trustee shall obtain moneys under such Credit Facility, in accordance with the terms thereof, in a timely manner, in the full amount required to pay the principal or Redemption Price of and interest on the Bonds as such become due, whether at maturity or upon redemption or acceleration or on an Interest Payment Date or otherwise and shall deposit such amounts in the Letter of Credit Payments Sub-Account; provided that, so long as the Confirming Letter of Credit shall be in effect, the Trustee shall submit a draw on the Credit Facility in a timely manner such that in the event of a Wrongful Dishonor by the Credit Issuer, a draw may be submitted under the Confirming Letter of Credit, in a timely manner, so that funds are available to pay the principal or Redemption Price of and interest on the 2009 Bonds on the date that the principal or Redemption Price of and interest on the 2009 Bonds would have become due, had such Wrongful Dishonor not occurred and shall deposit such amounts in the Letter of Credit Payments Sub-Account. In the event of such Wrongful Dishonor, the Trustee shall submit such draw on the Confirming Letter of Credit as set forth above.

On or before each Interest Payment Date, the Trustee shall pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such date, and on or before the Redemption Date or date of purchase (but not with respect to any purchase pursuant to the Mandatory Purchase Provision or the Demand Purchase Option), the amounts required for the payment of accrued interest on Outstanding Bonds to be redeemed or purchased on such date (unless the payment of such accrued interest shall be otherwise provided for) as follows:

- (1) first, from the Letter of Credit Payments Sub-Account, and to the extent the moneys therein are insufficient for said purpose;
- (2) second, from the Revenue Account, and to the extent the moneys therein are insufficient for said purpose;
- (3) third, from the Redemption Account, and to the extent the moneys therein are insufficient for said purpose;
- (4) fourth, from the Bond Proceeds Account, and to the extent the moneys therein are insufficient for said purpose; and
- (5) fifth, from any other moneys held by the Trustee under the Resolution and available for such purpose.

After a drawing on the Credit Facility or the Confirming Letter of Credit, as the case may be, and deposit of the amounts so obtained in the Letter of Credit Payments Sub-Account has been made, and to the extent such amounts are sufficient to make the required payments on the 2009 Bonds, amounts available from the sources described in subparagraphs (2) through (5) above, in the order of priority indicated, shall be used immediately to reimburse the Credit Issuer for amounts obtained under the Credit Facility or the Confirming Letter of Credit. In the event that any amounts remain in the Letter of Credit Payments Sub-Account after the required payments on the 2009 Bonds have been made on an Interest Payment Date or Redemption Date, the Trustee shall transfer such amounts to the Revenue Account.

Notwithstanding any provision to the contrary which may be contained in the Resolution, (i) in computing the amount to be drawn under the Credit Facility or the Confirming Letter of Credit, as the case may be, on account of the payment of the principal of or interest on the Bonds, the Trustee shall exclude any such amounts in respect of any Bonds which are Pledged Bonds on the date such payment is due, and (ii) amounts drawn by the Trustee under the Credit Facility or the Confirming Letter of Credit shall not be applied to the payment of the principal of or interest on any Bonds which are Pledged Bonds on the date such payment is due.

Any moneys accumulated in the Revenue Account up to the unsatisfied balance of each Sinking Fund Payment (together with amounts accumulated in the Revenue Account with respect to interest on the Bonds for which such Sinking Fund Payment was established) shall, if so directed in writing by the Corporation, be applied by the Trustee on or prior to the forty-fifth (45th) day preceding such Sinking Fund Payment (i) to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the Redemption Price plus unpaid accrued interest or (ii) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above.

Upon the purchase or redemption of any Bond for which Sinking Fund Payments have been established from amounts in the Revenue Account, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer of the Corporation at the time of such purchase or redemption.

As soon as practicable after the forty-fifth (45th) day preceding the due date of any such Sinking Fund Payment, the Trustee shall call for redemption on such due date, Bonds in such amount as shall be necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Revenue Account sufficient to pay the applicable Redemption Price thereof on the Redemption Date.

On each Interest Payment Date, the Trustee shall transfer from the Revenue Account (after providing for all payments required to have been made prior thereto pursuant to the Resolution) (i) first, if so directed by the Corporation, to the Trustee, an amount equal to the Trustee's unpaid fees and expenses, (ii) second, at the direction of the Corporation, to the Credit Issuer, an amount equal to any fees due and owing to the Credit Issuer pursuant to

the Credit Agreement, (iii) third, if so directed by the Corporation, to the Tender Agent, an amount equal to the Tender Agent's unpaid fees and expenses, (iv) fourth, if so directed by the Corporation, to the Remarketing Agent, an amount equal to the Remarketing Agent's unpaid fees and expenses, and (v) fifth, to the Corporation, the Administrative Fee to the extent unpaid. The amount remaining after making the transfers or payments required hereinabove shall be retained in the Revenue Account. Such remaining balance shall be used to offset the Mortgagor's obligation under the Mortgage Loan (in direct chronological order of such obligation), unless the Trustee receives a Certificate from the Corporation stating that a default has occurred with respect to any agreement between the Corporation and the Mortgagor. If the Trustee shall thereafter receive a Certificate from the Corporation stating that such default has been cured or waived, such remaining balance shall once again be used to offset the Mortgagor's obligation under the Mortgage Loan (in direct chronological order of such obligation).

Redemption Account

Subject to the provisions of the Assignment, there shall be deposited in the Redemption Account all Recoveries of Principal and any other amounts which are required by the Resolution to be so deposited and any other amounts available therefor and determined by the Corporation to be deposited therein. Subject to the provisions of the Resolution or of any Supplemental Resolution authorizing the issuance of Bonds requiring the application thereof to the payment, purchase or redemption of any particular Bonds, the Trustee shall apply amounts from the sources described in the following paragraph equal to amounts so deposited in the Redemption Account to the purchase or redemption of Bonds at the times and in the manner provided in the Resolution.

On or before a Redemption Date or date of purchase of Bonds in lieu of redemption, the Trustee shall pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of the principal of Outstanding Bonds to be redeemed or purchased and cancelled on such date, as follows:

- (1) first, from the Letter of Credit Payments Sub-Account, and to the extent the moneys therein are insufficient for such purpose;
- (2) second, from the Redemption Account, and to the extent the moneys therein are insufficient for such purpose;
- (3) third, from the Revenue Account, and to the extent the moneys therein are insufficient for such purpose;
- (4) fourth, from the Bond Proceeds Account, and to the extent the moneys therein are insufficient for such purpose; and
- (5) fifth, from any other moneys held by the Trustee under the Resolution and available for such purpose.

After payment of the principal of such Outstanding Bonds to be redeemed or purchased has been made, and to the extent payments for the redemption or purchase of the Bonds are made from the source described in subparagraph (1) above, amounts available from the sources described in subparagraphs (2) through (5) above, in the order of priority indicated, shall be used to reimburse the Credit Issuer for amounts obtained under the Credit Facility or the Confirming Letter of Credit and so applied.

Rebate Fund

The Resolution also establishes the Rebate Fund as a special trust account to be held and maintained by the Trustee. Earnings on all amounts required to be deposited in the Rebate Fund are to be deposited in the Rebate Fund.

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

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

Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the Accounts, except as otherwise specified by an Authorized Officer of the Corporation to the extent necessary to comply with the tax covenant set forth in the Resolution, and except that the income or interest earned and gains realized in excess of losses suffered by the Rebate Fund due to the investment thereof shall be deposited in or credited to the Rebate Fund from time to time and reinvested.

In the event that, on any date of calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Officer of the Corporation, shall withdraw such excess amount and deposit it in the Revenue Account.

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

Payment of Bonds

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

Tax Covenants

The following covenants are made solely for the benefit of the owners of, and shall be applicable solely to, the 2009 Bonds and any Additional Bonds, as designated in a Supplemental Resolution, to which the Corporation intends that the following covenants shall apply:

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

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

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

Covenants with Respect to the Mortgage Loan

In order to pay the Principal Installments of and interest on the Bonds when due, the Corporation covenants that it shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all

respects with the Act, the provisions of the Resolution and sound banking practices and principles, (i) use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the kind permitted by the Resolution, to finance the Mortgage Loan pursuant to the Act and the Resolution and any applicable Supplemental Resolution, (ii) do all such acts and things as shall be necessary to receive and collect Pledged Receipts (including diligent enforcement of the prompt collection of all arrears on the Mortgage Loan) and Recoveries of Principal, and (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to protect its rights with respect to or to maintain any insurance on the Mortgage Loan or any subsidy payments in connection with the Project or the occupancy thereof and to enforce all terms, covenants and conditions of the Mortgage Loan and the Mortgage Documents, including the collection, custody and prompt application of all Escrow Payments for the purposes for which they were made; provided, however, that the obligations of the Corporation in (ii) and (iii) above may be suspended during the term of the Assignment, except as otherwise provided in the Assignment.

Issuance of Additional Obligations

The Corporation shall not create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a superior or, except in the case of Bonds, an equal charge and lien on the Revenues and assets pledged under the Resolution. The Corporation shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a subordinate charge and lien on the Revenues and assets pledged under the Resolution unless the Corporation shall have received the written consent of the Credit Issuer and the Confirming Bank.

Accounts and Reports

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

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

The Corporation shall annually, within 120 days after the close of each fiscal year of the Corporation, file with the Trustee a copy of an annual report as to the operations and accomplishments of the various funds and programs of the Corporation during such fiscal year, and financial statements for such fiscal year, setting forth in reasonable detail, (i) the balance sheet with respect to the Bonds and the Mortgage Loan, showing the assets and liabilities of the Corporation at the end of such fiscal year; (ii) a statement of the Corporation's revenues and expenses in accordance with the categories or classifications established by the Corporation in connection with the Bonds and the Mortgage Loan during such fiscal year; (iii) a statement of changes in fund balances, as of the end of such fiscal year; and (iv) a statement of cash flows, as of the end of such fiscal year. The financial statements shall be accompanied by the Certificate of an Accountant stating that the financial statements examined present fairly the financial position of the Corporation at the end of the fiscal year, the results of its operations and the changes in its fund balances and its cash flows for the period examined, in conformity with generally accepted accounting principles applied on a consistent basis except for changes with which such Accountant concurs.

Except as provided in the second preceding paragraph, any such financial statements may be presented on a consolidated or combined basis with other reports of the Corporation.

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

Supplemental Resolutions

Any modification of or amendment to the provisions of the Resolution and of the rights and obligations of the Corporation and of the owners of the Bonds may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution, (i) of the owners of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the owners of at least two-thirds in principal amount of the Bonds so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the owners of at least two-thirds in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given; provided, however, that a modification or amendment referred to in (iii) above shall not be permitted unless the Trustee shall have received a Bond Counsel's Opinion to the effect that such modification or amendment does not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds to which the tax covenants of the Resolution apply. If any such modification or amendment will not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, 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 paragraph. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

The Corporation may adopt, without the consent of any owners of the Bonds, Supplemental Resolutions, to, among other things, provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on the issuance of other evidences of indebtedness; add to the covenants and agreements of or limitations and restrictions on, the Corporation's other covenants and agreements or limitations and restrictions which are not contrary to or inconsistent with the Resolution; surrender any right, power or privilege of the Corporation under the Resolution but only if such surrender is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Resolution; confirm any pledge under the Resolution, of the Revenues or of any other revenues or assets; modify any of the provisions of the Resolution in any respect whatsoever (but no such modification shall be effective until all Bonds theretofore issued are no longer Outstanding); provide for the issuance of Bonds in coupon form payable to bearer; authorize the issuance of Additional Bonds and prescribe the terms and conditions thereof; provide that specified provisions of the Resolution that relate to the 2009 Bonds shall also apply to a Series of Additional Bonds; cure any ambiguity or correct any defect or inconsistent provision in the Resolution (provided that the Trustee shall consent thereto); comply with the Code; provide for such changes (other than any changes that adversely affect the exclusion from gross income for Federal income tax purposes of interest on any series of bonds to which the tax covenants apply) as are deemed necessary or desirable by the Corporation upon delivery of an Alternate Security or a Substitute Letter of Credit; provide for such changes as are deemed necessary or desirable by the Corporation in connection with either (a) providing for a book-entry system with respect to a Series of Bonds or (b) discontinuing a book-entry system with respect to a Series of Bonds; provide for such changes as are deemed necessary or desirable by the Corporation to take effect on a Change Date on which 100% of the Bonds are subject to mandatory tender; during any period that all Bonds bear interest at a Weekly Rate, provide such changes as are deemed necessary or desirable by the Corporation, if, not less than thirty (30) days before the effective date of such changes, the Trustee sends notice of the proposed changes to the Bond owners and the Bond owners have the right to tender their Bonds for purchase before such effective date; or make any additions, deletions or modifications to the Resolution which, in the opinion of the Trustee, are not materially adverse to the interests of the Bond owners.

The foregoing notwithstanding, for so long as the Credit Facility shall be in effect, no supplement, modification or amendment of the Resolution shall take effect without the consent of the Credit Issuer.

Events of Default and Termination

Each of the following events set forth in clauses (1) through (3) below constitutes an "Event of Default" and each of the following events set forth in clauses (4) and (5) below constitutes an "Event of Termination" with respect to the Bonds: (1) payment of the principal or Redemption Price, if any, of or interest on any Bond (other than

Pledged Bonds) when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; (2) payment of the Purchase Price of any 2009 Bond (other than Pledged Bonds) tendered in accordance with the Resolution shall not be made when and as the same shall become due; (3) the Corporation shall fail or refuse to comply with the provisions of the Resolution or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Resolution or in any applicable Supplemental Resolution or the Bonds (other than any such default resulting in an Event of Default described in clause (1) or (2) above), 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 five percent (5%) in principal amount of the Outstanding Bonds; (4) receipt by the Trustee of written notice from the Credit Issuer that an "Event of Default" has occurred under the Credit Agreement together with a written direction from the Credit Issuer to the Trustee to exercise either the remedy set forth in clause (5) of the following paragraph or the remedy set forth in clause (8) of the following paragraph, as provided in such direction; or (5) (i) receipt by the Trustee of written notice from the Confirming Bank that the obligation of the Confirming Bank to pay interest on the 2009 Bonds from a draw on the Confirming Letter of Credit will not be reinstated, or (ii) the non-reinstatement of the Confirming Letter of Credit following the tenth (10th) day after a draw thereon to pay the Purchase Price of the 2009 Bonds, which causes the total available amount under the Confirming Letter of Credit to be less than the principal amount of and interest due on the outstanding 2009 Bonds supported by the Confirming Letter of Credit.

Remedies

Upon the happening and continuance of (i) an Event of Termination specified in clause (4) of the preceding paragraph, the Trustee shall proceed, in its own name pursuant to the direction of the Credit Issuer as described in clause (4) of the preceding paragraph, to protect and enforce the remedies of the Bond owners and the Credit Issuer by the remedies set forth in either clause (5) or (8) below, as specified in the direction of the Credit Issuer as described in clause (4) of the preceding paragraph, and (ii) an Event of Termination specified in clause (5) of the preceding paragraph, the Trustee shall proceed, in its own name pursuant to the direction of the Confirming Bank as described in clause (5) of the preceding paragraph, to protect and enforce the remedies of the Bond owners and the Confirming Bank by the remedy set forth in clause (9) below, as specified in the direction of the Confirming Bank as described in clause (5) of the preceding paragraph; provided, however, that anything in the Resolution to the contrary notwithstanding, the Trustee shall enforce the remedies set forth in clauses (5), (8) and (9) below within the time limits provided therein. Upon the happening and continuance of any Event of Default specified in clause (1) or (2) of the preceding paragraph, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in clause (3) of the preceding paragraph, the Trustee may proceed and, upon the written request of the owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject, in each such case, to the provisions of the Resolution, including the receipt of the written consent of the Credit Issuer or the Confirming Bank, as the case may be, to protect and enforce the rights of the Bond owners by the remedies specified below for particular Events of Default, and such other of the remedies set forth in clauses (1) through (7) below, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners, including the right to require the Corporation to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loan (subject to the provisions of the Assignment) and to require the Corporation to carry out any other covenants or agreements with such Bond owners, and to perform its duties under the Act; (2) by bringing suit upon the Bonds; (3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the owners of the Bonds; (4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; (5) with the written consent of the Credit Issuer in the case of an Event of Default, or upon the direction described in clause (4) of the preceding paragraph in the case of an Event of Termination, by immediately declaring all 2009 Bonds or, if so designated by the Credit Issuer, a portion of the 2009 Bonds specified by the Credit Issuer due and payable, whereupon, with respect to any affected 2009 Bonds, such Bonds shall be immediately redeemed, without premium, pursuant to the Resolution, provided that upon the happening and continuance of an Event of Default specified in clause (1) or (2) of the preceding paragraph, the Trustee shall declare all Bonds due and payable; (6) in the event that all Outstanding Bonds are declared due and payable, by selling the Mortgage Loan (subject to the provisions of the Assignment) and any Investment Securities securing such Bonds; (7) by taking such action with respect to or in connection with the Credit Facility or the Confirming Letter of Credit, as the case may be, as the Trustee deems necessary to protect the interests of the owners of the 2009 Bonds; (8) upon the happening and continuance of an Event of Termination described in clause (4) of the preceding paragraph and upon receipt of direction from the Credit Issuer, by carrying out a purchase of all 2009 Bonds or, if so designated by the Credit Issuer, a portion of the

2009 Bonds pursuant to the Resolution on a date specified by the Credit Issuer, which date shall not be later than the next Business Day following receipt by the Trustee of such direction; or (9) upon the happening and continuance of an Event of Termination described in clause (5) of the preceding paragraph, by carrying out a purchase of all of the 2009 Bonds pursuant to the Resolution on a date which shall not be later than the next Business Day following the occurrence of such Event of Termination; provided, however, upon the direction of the Confirming Bank received on or before the occurrence of such Event of Termination, the Trustee shall instead immediately declare all 2009 Bonds due and payable whereupon such Bonds shall be immediately redeemed pursuant to the Resolution.

Anything in the Resolution to the contrary notwithstanding, except as otherwise provided in clause (5), (8) or (9) of the preceding paragraph, the owners of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond owners not parties to such direction and provided, further, that notwithstanding the foregoing, the Credit Issuer or the Confirming Bank, as the case may be, shall be entitled to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Resolution.

No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the Resolution, or for the protection or enforcement of any right under the Resolution unless such owner shall have given to the Trustee written notice of the Event of Default or an Event of Termination or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Resolution or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the fees, costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Nothing contained in the Resolution shall affect or impair the right of any Bond owner to enforce the payment of the principal of and interest on such owner's Bonds, or the obligation of the Corporation to pay the principal of and interest on each Bond to the owner thereof at the time and place in said Bond expressed.

Unless remedied or cured, the Trustee shall give to the Bond owners notice of each Event of Default or Event of Termination under the Resolution known to the Trustee within ninety (90) days after actual knowledge by the Trustee of the occurrence thereof; provided that in the case of the 2009 Bonds, such notice need not be given with respect to any 2009 Bond for which the Trustee has proceeded to carry out a mandatory purchase of such 2009 Bonds pursuant to the Resolution. However, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Bonds, or in the making of any payment required to be made into the Bond Proceeds Account, the Trustee may withhold such notice if it determines that the withholding of such notice is in the interest of the Bond owners.

Priority of Payments After Event of Default or Event of Termination

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

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

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

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

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

If, at the time the Trustee is to apply amounts in accordance with the provisions of the preceding paragraph, any of the Bonds Outstanding are Pledged Bonds, the Trustee shall make the payments with respect to the Bonds prescribed by the preceding paragraph, first, to the owners of all Bonds Outstanding other than Pledged Bonds and second, to the owner of Pledged Bonds.

Rights of the Credit Issuer

Notwithstanding anything contained in the Resolution to the contrary, all rights of the Credit Issuer under the Resolution, including, but not limited to, the right to consent to, approve, initiate or direct extensions, remedies, waivers, actions and amendments thereunder shall cease, terminate and become null and void (a) if, and for so long as, there is a Wrongful Dishonor of the Credit Facility by the Credit Issuer, or (b) if the Credit Facility is no longer in effect; provided, however, that notwithstanding any such Wrongful Dishonor, the Credit Issuer shall be entitled to receive notices pursuant to the Resolution in accordance with the terms of the Resolution.

Rights of the Confirming Bank

(A) Notwithstanding anything contained in the Resolution to the contrary, in the event that the Confirming Bank makes payment pursuant to a draw on the Confirming Letter of Credit, the Confirming Bank shall have any and all rights of the Credit Issuer under the Resolution, as the Confirming Bank shall so elect, including, but not limited to, the right of reimbursement for drawings on the Confirming Letter of Credit and the right to exercise the remedies of the Credit Issuer under the Resolution in the case of an Event of Default or an Event of Termination and all related references in the Resolution to the Credit Issuer and to the Letter of Credit shall be deemed to mean the Confirming Bank and the Confirming Letter of Credit.

(B) In addition, notwithstanding anything contained in the Resolution to the contrary, in the event that the Corporation and the Trustee receive notice from the Credit Issuer that the rating on the unsecured or uncollateralized long-term debt obligations of the Credit Issuer is not less than that of the Confirming Bank, then, at the request of the Mortgagor, the Trustee shall surrender the Confirming Letter of Credit to the Confirming Bank for termination. In such event, all rights of the Confirming Bank under the Resolution shall cease, terminate and become null and void, and all references in the Resolution to the Confirming Letter of Credit and to the Confirming Bank shall become null and void.

Payments Due on Days Not Business Days

If the date for making any payment of principal or Redemption Price of or interest on any of the Bonds shall be a day other than a Business Day, then payment of such principal or Redemption Price of or interest on such Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for such payment, except that interest shall continue to accrue on any unpaid principal to such next succeeding Business Day.

SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AND THE CREDIT AGREEMENT AND THE CONFIRMING LETTER OF CREDIT

The 2009 Bonds are secured by the Letter of Credit, which is issued pursuant to the Credit Agreement that obligates the Mortgagor, among other things, to reimburse the Credit Issuer for funds provided by the Credit Issuer under the Letter of Credit and to pay various fees and expenses, in each case as provided in the Credit Agreement. The Credit Agreement governs obligations of the Mortgagor to the Credit Issuer on account of the Credit Issuer providing such credit enhancement. The Credit Agreement sets forth various affirmative and negative covenants of the Mortgagor.

Set forth below is a summary of certain sections of the Letter of Credit and the Credit Agreement. This summary does not purport to be complete or to cover all sections of the Letter of Credit and the Credit Agreement. Reference is made to the Letter of Credit and the Credit Agreement, copies of which are on file with the Trustee, for a complete statement of the rights, duties and obligations of the Credit Issuer and the Mortgagor.

The Letter of Credit

The Letter of Credit is an irrevocable obligation of the Credit Issuer to pay to the Trustee, while the 2009 Bonds bear interest at the Weekly Rate, up to the total of the following amounts (the "Stated Amount") upon the terms and conditions set forth in the Letter of Credit: (a) the aggregate principal amount of the outstanding 2009 Bonds, which may be drawn (i) to enable the Trustee to pay the principal of the 2009 Bonds when due at maturity or upon redemption or acceleration, or (ii) to enable the Trustee to pay the portion of the purchase price of 2009 Bonds tendered for purchase pursuant to the Resolution corresponding to the principal of such 2009 Bonds to the extent remarketing proceeds are not available for such purpose, plus (b) an amount equal to 34 days' interest on the outstanding 2009 Bonds at the rate of 12% per annum based on a 365-day year, which may be drawn (i) to enable the Trustee to pay interest on such 2009 Bonds when due, or (ii) to enable the Trustee to pay the portion of the purchase price of 2009 Bonds tendered for purchase pursuant to the Resolution corresponding to the accrued interest, if any, on such 2009 Bonds, to the extent remarketing proceeds are not available for such purpose.

Subject to the provisions of the following paragraph, each drawing under the Letter of Credit will reduce the Stated Amount by the amount of such drawing.

The Stated Amount of the Letter of Credit and the amounts available to be drawn to pay principal of the 2009 Bonds or to pay the principal portion of the purchase price of the 2009 Bonds will be reduced automatically by amounts drawn under the Letter of Credit to pay the principal of the 2009 Bonds when due or to pay the principal portion of the purchase price of the 2009 Bonds. The Stated Amount will be reinstated with respect to a drawing for the principal portion of the purchase price of the 2009 Bonds effective upon delivery by the Trustee of funds in an amount equal to the aggregate principal amount of the 2009 Bonds purchased with the proceeds of a drawing on the Letter of Credit. The Stated Amount of the Letter of Credit and the amounts available to be drawn to pay interest on the 2009 Bonds will be reduced automatically by amounts drawn under the Letter of Credit to pay interest on the 2009 Bonds. However, effective upon the close of business on the date of each drawing under the Letter of Credit with respect to a payment of interest on the 2009 Bonds, the interest component of the Letter of Credit will be reinstated automatically to an amount equal to 34 days' interest (computed at the maximum rate of 12% per annum based on a 365-day year with respect to the 2009 Bonds on the then applicable principal component of the Letter of Credit).

The Letter of Credit will terminate upon the earliest to occur of the following (the "Termination Date"):
(a) the Credit Issuer's honoring of the final drawing thereunder upon the maturity, acceleration or redemption in

whole of the 2009 Bonds, (b) receipt by the Credit Issuer of a certificate of the Trustee stating that the Trustee has received a Substitute Letter of Credit in accordance with the Resolution, (c) receipt by the Credit Issuer of a certificate of the Trustee (accompanied by the Letter of Credit) stating that an Interest Method Change Date has occurred, or (d) at the close of business of the Credit Issuer on October 28, 2011 or, if that date is not a Business Day, on the first Business Day thereafter, unless sooner terminated or extended.

The Credit Agreement

The Mortgagor has entered into the Credit Agreement with the Credit Issuer, pursuant to which the Mortgagor has agreed to reimburse the Credit Issuer for sums drawn on the Letter of Credit. The Credit Agreement also provides for quarterly letter of credit fees, drawing fees, transfer fees and other fees and charges.

The Credit Agreement sets forth conditions to the issuance of the Letter of Credit and certain representations and warranties that are to be true at the closing date. Such representations and warranties include representations as to: due organization, legal existence and legal capacity of the Mortgagor; due limited liability company approval, execution and delivery of financing documents; enforceability of financing documents; no litigation, except as disclosed; compliance with applicable agreements; payment of taxes; compliance with laws; no violation of Regulation U; lack of encumbrances; accuracy of financial information; no material adverse change; no ERISA violation; no burdensome contracts except as disclosed; principal place of business and locations of collateral; environmental matters; no casualty or condemnation; no materially adverse easements or restrictions on the Mortgagor's property; utility services and access to the Mortgagor's property; no designated flood hazard area; no violation of intellectual property rights; solvency of the Mortgagor; and accuracy of information furnished.

The Credit Agreement also contains affirmative and negative covenants and reporting requirements. Affirmative covenants of the Mortgagor include: payment of amounts due to the Credit Issuer; payment of taxes, charges and other obligations; maintenance of insurance; maintenance of the Mortgagor's legal existence, qualification and tax-exempt status; compliance with laws; the Credit Issuer's rights of access and inspection; maintenance of proper books and records; maintenance and repair of property; maintenance of rates sufficient to cover expenses; continued conduct of business by the Mortgagor and a prohibition against the Mortgagor undertaking new unrelated lines of business; maintenance of certain banking relationships with the Credit Issuer; providing further assurances; maintenance by the Mortgagor of a ratio of cash flow available for debt service to interest expense of not less than 1.10 to 1, tested annually at the end of Mortgagor's 2009 and 2010 fiscal years; maintenance by the Mortgagor of a ratio of cash flow available for debt service to debt service of not less than 1.10 to 1, tested annually at the end of Mortgagor's 2011 fiscal year and each fiscal year thereafter; maintenance of a debt service reserve account in an amount, subject to certain specified exceptions, of not less than the maximum annual debt service on the 2009 Bonds that could become due in any 12-month period; maintenance by the Mortgagor of a replacement reserve account by the deposit of monthly payments of a prescribed amount commencing on October 1, 2009 and thereafter; maintenance by Mortgagor of an operating reserve account and an interest reserve account of not less than prescribed amounts on and after June 30, 2010; maintenance of experienced management; compliance with the Credit Issuer's disbursement requirements; payment of monthly installments to the Credit Issuer in order to provide funds for annual sinking fund payments; maintenance of a hedging arrangement to protect Mortgagor against interest rate fluctuations; maintenance of the ground lease in full force and effect; and, upon commencement of operations, maintenance of an operating revenue account into which Mortgagor deposits all revenues and pays all operating expenses and debt service, funds all reserve accounts and, upon satisfaction of specified conditions, pays subordinated management and development fees. Negative covenants include: limitation on further indebtedness, subject to exceptions described therein; limitation on further liens, subject to exceptions described therein; limitation on guaranties, subject to exceptions described therein; prohibition against dissolution or merger and limitations on asset dispositions as described therein; prohibitions against factoring; limitations on loans to other persons and investments in other persons, subject to exceptions described therein; prohibition against asset write-ups; prohibition against changes in fiscal year or in accounting principles (unless the Credit Agreement is appropriately amended); prohibition against amendments to organizational documents that could have a material adverse effect on the Mortgagor's financial condition or ability to perform its obligations under the Credit Agreement; prohibition against change in location of books and records; prohibition against change in name, type of entity or jurisdiction of formation or change in principal place of business, unless the Credit Issuer is given notice and such documentation as it may require in order to protect its security interests; prohibition against sale-leaseback transactions; limitations on formation of subsidiaries, investment in subsidiaries and membership in partnerships; limitations on transactions with affiliates; requirements relating to environmental hazards; limitations on changing the developer or manager of

the Project or making material changes to the development plans without the Credit Issuer's consent; limitations on payment of distributions; limitations on payment of management fees, development fees and other subordinated debt; prohibition against becoming a subsidiary of any other entity; limitations on capital expenditures; no violation of Regulation U; and no prepayments or voluntary repayments of long-term indebtedness without the consent of the Credit Issuer, other than the sinking fund payments and optional redemptions and purchases in connection with the 2009 Bonds (subject to termination and similar fees). Reporting requirements include requirements to furnish: annual audited financial statements of the Mortgagor; semi-annual management-prepared financial statements; annual and semi-annual compliance certificates; monthly management-prepared reports after commencement of operations; annual operating budget; copies of other audits and management letters upon request of the Credit Issuer; annual financial statements of CUNY and the Special Projects Fund; annual enrollment statistics from Queens College; notice of default; notice of material litigation; copies of compliance certificates, permits, licenses, approvals and notices issued by any governmental authority to the Mortgagor; notice of ERISA violations; notice of environmental violations; notice of change in accountants; notice of loss or threat of loss of material permits; notice of material loss or casualty damage; notice of material labor problems; notice of other adverse developments; and such other information as the Credit Issuer may reasonably request.

The Credit Agreement also sets out certain Events of Default. These include: (i) failure to pay; (ii) failure to observe certain affirmative covenants (including covenants relating to payment of taxes, insurance, maintenance of legal existence and tax-exempt status, compliance with laws, observance of financial covenants, maintenance of reserve accounts as required, application of proceeds of the 2009 Bonds, monthly installment payments to the Trustee, maintenance of the ground lease in full force and effect and completion of the Project by a specified date), as well as failure to comply with any of the negative covenants or reporting requirements; (iii) default under any other covenant for 30 days after notice; (iv) failure of any representation or warranty to have been true in any material respect; (v) cross-default to other agreements now or hereafter made by the Mortgagor with the Credit Issuer; (vi) cross-default to other indebtedness of the Mortgagor in excess of \$100,000; (vii) dissolution of the Mortgagor or bankruptcy, reorganization or similar proceedings affecting the Mortgagor or any of its subsidiaries, other than involuntary proceedings dismissed within 60 days; (viii) material ERISA violations of the Mortgagor; (ix) material loss, theft, damage or destruction suffered by the Mortgagor or loss or threat of loss of material permits; (x) unenforceability of financing documents; (xi) any loss of perfection or priority of the Credit Issuer's liens; (xii) final uninsured judgments in excess of \$100,000 against the Mortgagor; (xiii) occurrence of material adverse change; (xiv) cross-defaults to the Resolution and other agreements; and (xv) any material environmental problem.

Upon the occurrence of an Event of Default under the Credit Agreement, the Credit Issuer may, among other things: (i) direct the Trustee to cause a mandatory tender of the 2009 Bonds; (ii) direct the Trustee to accelerate the 2009 Bonds; (iii) accelerate any reimbursement obligations then outstanding; (iv) apply amounts held in reserve accounts and other accounts with the Credit Issuer to the obligations of the Mortgagor to the Credit Issuer; (v) enforce its rights under its security agreement and related documentation; (vi) enforce its rights against the Mortgagor through legal action; (vii) exercise other remedies under applicable law or other agreements; and/or (viii) give notice of non-reinstatement of the interest component of the Letter of Credit.

The Credit Agreement also contains provisions as to the Credit Issuer's right (but not obligation) to cure certain defaults of the Mortgagor; indemnification of the Credit Issuer by the Mortgagor; amendments and waivers; notices and other miscellaneous provisions.

The Credit Agreement may be amended from time to time without notice to, or the consent of, the Trustee, the Issuer or the holders or beneficial owners of the 2009 Bonds.

The Confirming Letter of Credit

Concurrently with the remarketing of the 2009 Bonds, the Confirming Letter of Credit will be issued by the Confirming Bank pursuant to a certain Irrevocable Letter of Credit Reimbursement Agreement dated October 30, 2007 between the Credit Issuer and the Confirming Bank (as may be amended, the "Bank Reimbursement Agreement"). The Bank Reimbursement Agreement provides, among other things, for reimbursement to the Confirming Bank by the Credit Issuer of all amounts drawn under any letter of credit confirmation issued at the request of the Credit Issuer, including without limitation, the Confirming Letter of Credit. The Bank Reimbursement Agreement is a standing agreement in the form used by the Confirming Bank and all of its member

banks, including standard events of default, and applies to an open-ended number of transactions between the Credit Issuer and the Confirming Bank.

Each Confirming Letter of Credit is an irrevocable obligation of the Confirming Bank to pay the Trustee upon drawings thereon in accordance with its terms, (a) an amount not exceeding \$69,865,000 with respect to the payment of principal or the principal component of the Purchase Price of the 2009 Bonds outstanding, and (b) an amount not exceeding \$1,102,528 with respect to the payment of 48 days' interest (at a maximum rate of 12% per annum based on a 365-day year) on or the interest component of the Purchase Price of the 2009 Bonds.

In each case that 2009 Bonds are redeemed or deemed to have been paid pursuant to the Bond Resolution, the amount available under the Confirming Letter of Credit shall be reduced to an amount equal to the principal amount of such 2009 Bonds outstanding, plus 48 days' interest on such principal amount outstanding computed at a maximum rate of 12% per annum based on a 365-day year. Drawings on the Confirming Letter of Credit will reduce the available amount to be drawn thereunder, which amount may be reinstated as set forth in the following paragraph.

In the case of each drawing under the Confirming Letter of Credit for the payment of interest on the 2009 Bonds, the amount so drawn shall be automatically reinstated as of the close of business on the 10th day after the Interest Payment Date, *unless* the Trustee shall have received on or before such 10th day, written notice from the Confirming Bank that an Event of Default under the Bank Reimbursement Agreement has occurred and is continuing and that the Confirming Bank does not intend to reinstate the amount so drawn for payment of interest. In the case of each drawing under the Confirming Letter of Credit for the payment of the Purchase Price of the Bonds, the principal component and the interest component will be reinstated only if and to the extent the Confirming Bank notifies the Trustee within 10 days of such draw that the Confirming Bank has been reimbursed by or on behalf of the Bank for the amount so drawn and intends to reinstate such Confirming Letter of Credit.

Events of Default under the Bank Reimbursement Agreement include, but are not limited to, (i) failure of the Credit Issuer to pay amounts due with respect to any letter of credit issued pursuant to the Bank Reimbursement Agreement; (ii) failure of the Credit Issuer to be in compliance with all minimum federal and/or state regulatory capital requirements applicable to it; (iii) any failure of any representation or warranty or other information, furnished by the Credit Issuer to the Confirming Bank in any context, to be and remain true, correct and complete; or (iv) the Confirming Bank reasonably and in good faith determines that a material adverse change has occurred in the financial condition of the Credit Issuer.

Pursuant to the Confirming Letter of Credit, the Trustee may draw amounts thereunder (i) after first having presented to the Credit Issuer a drawing under the Letter of Credit in conformance with its terms and the Credit Issuer having not honored such draw, or (ii) if the Credit Issuer has repudiated the Letter of Credit, without first presenting to the Credit Issuer such draw under the Letter of Credit, provided in each case such draw conforms in all respects with the terms and conditions of the Confirming Letter of Credit.

The Confirming Letter of Credit shall expire on October 28, 2011, unless extended or terminated early as provided therein.

AGREEMENT OF THE STATE

Section 657 of the Act provides that the State pledges to and agrees with the holders of obligations of the Corporation, including owners of the 2009 Bonds, that it will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with the owners of the 2009 Bonds, or in any way impair the rights and remedies of such owners until the 2009 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners of the 2009 Bonds, are fully met and discharged.

TAX MATTERS

Opinion of Bond Counsel to the Corporation

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions, (i) interest on the 2009 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the 2009 Bonds is not treated as a preference item in calculating the alternative minimum

tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering such opinion, Bond Counsel to the Corporation has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagor and others, in connection with the 2009 Bonds, and Bond Counsel to the Corporation has assumed compliance by the Corporation and the Mortgagor with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2009 Bonds from gross income under Section 103 of the Code. In addition, Bond Counsel has relied on the opinion of counsel to the Mortgagor regarding, among other matters, the current qualifications of the Special Projects Fund as an organization described in Section 501(c)(3) of the Code.

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2009 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel to the Corporation expresses no opinion regarding any other Federal or state tax consequences with respect to the 2009 Bonds. Bond Counsel to the Corporation renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Corporation expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2009 Bonds, or the exemption from personal income taxes of interest on the 2009 Bonds under state and local tax law.

Summary of Certain Federal Tax Requirements

Under applicable provisions of the Code, the exclusion from gross income of interest on the 2009 Bonds for purposes of Federal income taxation requires that at least 95 percent of the proceeds of the Prior Bonds (net of amounts applied to fund a reasonably required reserve) be used to finance property owned and used by a 501(c)(3) organization or by a governmental unit in a manner that satisfies applicable Federal tax law, and that the 2009 Bonds meet (i) arbitrage restrictions on the use of proceeds of the issue and (ii) certain other requirements, some of which are summarized below.

The Code requires, among other things, that the property financed by a qualified 501(c)(3) bond (i) be at all times owned and used by a 501(c)(3) organization in good standing or a governmental unit in a manner which does not generate unrelated business taxable income and (ii) be at all times operated by a 501(c)(3) organization in good standing or a governmental unit, or be operated by a private entity pursuant to a management contract satisfying the requirements of applicable Federal law.

The Code establishes certain additional requirements which must be met subsequent to the issuance and delivery of the 2009 Bonds in order that interest on the 2009 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of the proceeds of the 2009 Bonds, yield and other limits regarding investment of the proceeds of the 2009 Bonds and other funds, and rebate of certain investment earnings on such amounts on a periodic basis to the United States.

The Corporation has covenanted in the Resolution that it shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the 2009 Bonds shall be excluded from gross income for Federal income tax purposes. In furtherance thereof, the Corporation has entered into the Regulatory Agreement with the Mortgagor to assure compliance with the Code. However, no assurance can be given that in the event of a breach of any such covenants, or noncompliance with the procedures or certifications set forth therein, the remedies available to the Corporation and/or 2009 Bond owners can be judicially enforced in such manner as to assure compliance with the above-described requirements and therefore to prevent the loss of the exclusion of interest from gross income for Federal income tax purposes. Any loss of such exclusion of interest from gross income may be retroactive to the date from which interest on the 2009 Bonds is payable.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the 2009 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a 2009 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the 2009 Bonds.

Prospective owners of 2009 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the 2009 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest paid on tax-exempt obligations, including the 2009 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9 "Request for Taxpayer Identification Number and Certification", or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2009 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2009 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2009 Bonds under Federal or state law and could affect the market price or marketability of the 2009 Bonds. Prospective purchasers of the 2009 Bonds should consult their own tax advisors regarding the foregoing matters.

NO LITIGATION

The Corporation

At the time of delivery and payment for the 2009 Bonds, the Corporation will deliver, or cause to be delivered, a Certificate of the Corporation substantially to the effect that there is no litigation or other proceeding now pending or threatened against the Corporation of which the Corporation has notice or, to the knowledge of the Corporation, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2009 Bonds, or in any way contesting or affecting the validity of the 2009 Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof or the financing of the Mortgage Loan or the pledge or application of any moneys or security provided for the payment of the 2009 Bonds or the existence or powers of the Corporation, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or challenging the exclusion of interest on the 2009 Bonds from gross income for Federal income tax purposes.

The Mortgagor

At the time of delivery and payment for the 2009 Bonds, the Mortgagor will deliver, or cause to be delivered, a Certificate of the Mortgagor substantially to the effect that there is no litigation of any nature now pending or, to the knowledge of the Mortgagor, its members, managers, shareholders or officers, as applicable, threatened against and in any way adversely affecting the existence of the Mortgagor, or its member, involving the Project, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2009 Bonds or the financing of the Mortgage Loan, or the construction or equipping of the Project, or in any way contesting or affecting the validity or enforceability of the 2009 Bonds or the 2009 Bond documents to which the Mortgagor is a party, or any proceedings of the Mortgagor taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the 2009 Bonds or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers or authority of the Mortgagor with respect to the 2009 Bond documents to which it is a party or, to the knowledge of the Mortgagor or its member without independent inquiry, challenging the exclusion of interest on the 2009 Bonds from gross income for Federal income tax purposes.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the 2009 Bonds by the Corporation are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Underwriter by its Counsel, Harris Beach PLLC, Albany, New York. Certain legal matters will be passed upon for the Mortgagor by its Counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for the Credit Issuer by its Counsel, Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts. Certain legal matters will be passed upon for the Confirming Bank by its special counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C, Boston, Massachusetts and Shui Lun Seto, Vice President and Senior Attorney to the Confirming Bank.

LEGALITY OF 2009 BONDS FOR INVESTMENT AND DEPOSIT

Under the provisions of Section 662 of the Act, the 2009 Bonds are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. The 2009 Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or hereafter authorized.

UNDERWRITING

RBC Capital Markets Corporation has agreed, subject to certain conditions, to purchase the 2009 Bonds from the Corporation at an aggregate purchase price of \$69,865,000 and to make a public offering of the 2009 Bonds at prices that are not in excess of the public offering price stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such 2009 Bonds if any are purchased. The 2009 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$129,797.50, which includes its expenses.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. has assigned to the 2009 Bonds a rating of "AAA/A-1+". Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in

its judgment, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the 2009 Bonds.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the 2009 Bonds that there has been no change in the affairs of the Corporation from the date hereof. Pursuant to the Resolution, the Corporation has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Resolution and to cause such books to be audited for each fiscal year. The Resolution requires that such books be open to inspection by the Trustee and the owners of not less than 5% of the 2009 Bonds during regular business hours of the Corporation and that the Corporation furnish a copy of the auditor's report, when available, upon the request of the owner of any Outstanding 2009 Bond.

Additional information may be obtained from the Corporation at 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: www.nychdc.com.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2009 Bonds.

This Official Statement is submitted in connection with the sale of the 2009 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof have been duly authorized and approved by the Corporation and the Official Statement has been duly executed and delivered on behalf of the Corporation.

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: /s/ Marc Jahr
President

Dated: October 21, 2009

DEFINITIONS OF CERTAIN TERMS

This Appendix A sets forth definitions of certain terms contained in the Resolution, the Credit Agreement, and elsewhere in this Official Statement. This Appendix A does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Resolution and the Credit Agreement, copies of which may be obtained from the Corporation. The following terms shall have the following meanings unless the context shall clearly indicate otherwise.

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

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

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

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Mortgagor, any member of the Mortgagor, the Corporation or the Confirming Bank, as applicable, under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

“Additional Bonds” means Bonds, other than the 2009 Bonds, authorized pursuant to the Resolution.

“Administrative Fee” means the servicing fee of the Corporation in the amount set forth in the Financing Commitment and Agreement dated April 14, 2008, between the Corporation, the Mortgagor and certain of the guarantors, as the same may be amended, modified or supplemented from time to time, plus the amount specified in a Supplemental Resolution in connection with the issuance of Additional Bonds.

“Alternate Security” means any instrument in effect and purpose similar to the Letter of Credit, including, but not limited to, a letter of credit, guaranty, standby loan commitment, bond or mortgage insurance policy, standby purchase agreement, credit enhancement instrument, collateral agreement, surety bond, mortgage backed security or other credit or liquidity facility, or any combination thereof, (i) approved by the Corporation and delivered to the Trustee for the benefit of the owners of the 2009 Bonds (except that a mortgage insurance policy may be delivered to the Corporation), (ii) replacing any existing Credit Facility, (iii) dated as of a date not later than the expiration date of the Credit Facility for which the same is to be substituted, if a Credit Facility is then in effect, (iv) which shall expire not earlier than a date which is fifteen (15) days after an Interest Payment Date for the 2009 Bonds, and (v) issued on substantially similar terms and conditions with respect to the rights of the owners of such Series of Bonds (including, but not limited to, the Mandatory Purchase Provision) as the then existing Credit Facility provided that (a) the stated amount of the Alternate Security shall equal the sum of (x) the aggregate principal amount of Bonds of such Series at the time Outstanding, plus (y) an amount at least equal to thirty-four (34) days of interest (at the Maximum Rate) on all Bonds of such Series at the time Outstanding, or such other amount as the Corporation shall determine based on then current rating agency standards, and (b) if said Alternate Security is to be in effect during a Weekly Rate Period, it must provide for payment of the Purchase Price upon the exercise by any Bond owner of the applicable Demand Purchase Option. The Confirmation shall not constitute Alternate Security.

“Assignment” means the Assignment and Servicing Agreement, with respect to the Mortgage Loan, among the Corporation, the Trustee, the Credit Issuer and the Mortgagor, as the same may be amended, modified or supplemented from time to time.

“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 the Mortgagor, the

President or any Vice President of the Mortgagor and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Mortgagor then authorized to perform such act or discharge such duty; (c) when used with respect to the Credit Issuer, any Vice President or Managing Director of the Credit Issuer and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Credit Issuer then authorized to perform such act or discharge such duty; (d) when used with respect to the Confirming Bank, any Vice President or Managing Director of the Confirming Bank and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Confirming Bank then authorized to perform such act or discharge such duty; and (e) when used with respect to the Trustee, any Managing Director, Director, Vice President or corporate trust administrator of 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.

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

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

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

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

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

“Bond Year” means a twelve-month period ending on the anniversary of the date of issuance of a Series of Bonds in any year.

“Business Day” means any day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in the City of New York, New York, or the city or cities in which the Principal Office of the Trustee or the office of the Credit Issuer to which draws on the Credit Facility are presented is located are required or authorized by law to close, (c) a day on which the New York Stock Exchange is closed, (d) with respect to the Confirmation, any day on which the Confirming Bank is closed, or (e) so long as any Series of Bonds is held in book-entry form, a day on which DTC is closed.

“Capitalized Moneys Sub-Account” means the Capitalized Moneys Sub-Account established pursuant to the Resolution.

“Certificate” means (a) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Resolution or (b) the report of an accountant as to audit or other procedures called for by the Resolution.

“Change Date” means, with respect to the 2009 Bonds, (i) an Interest Method Change Date or (ii) a Facility Change Date or (iii) a date specified by the Credit Issuer pursuant to the provisions of the Resolution for carrying out a purchase of 2009 Bonds pursuant to the Resolution in connection with an Event of Termination or (iv) a date specified by the Confirming Bank pursuant to the provisions of the Resolution for carrying out a purchase of all of the 2009 Bonds pursuant to the Resolution in connection with an Event of Termination; or (v) a date specified by the Corporation pursuant to the provisions of the Resolution for carrying out a purchase of 2009 Bonds pursuant to the Resolution in connection with a Notice of Prepayment of the Mortgage Loan.

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

“Code” means the Internal Revenue Code of 1986, as amended.

“Confirmation” means the irrevocable stand-by letter of credit confirmation issued by the Confirming Bank and which (i) is issued in connection with the Letter of Credit, (ii) may be drawn upon by the Trustee if and when a draw under the Letter of Credit is not honored in its full amount or if the Letter of Credit is repudiated and (iii) is

such that a draw upon it shall obligate the Confirming Bank to honor such draw in immediately available funds in a timely manner and in amounts sufficient to pay the principal or Redemption Price of and interest on the Bonds as such become due; provided, however, the Confirmation shall be in effect only while the Bonds bear interest at the Weekly Rate.

“Confirming Bank” means the Federal Home Loan Bank of Boston, its successors and assigns, as issuer of the Confirmation delivered pursuant to this Resolution.

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

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Corporation and related to the authorization, sale and issuance of Bonds, including but not limited to underwriting discount or fee, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Credit Issuer and the Confirming Bank, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit rating(s), fees and charges for preparation, execution, transportation and safekeeping of Bonds, the financing fee of the Corporation, and any other cost, charge or fee in connection with the original issuance of Bonds.

“Credit Agreement” means the agreement between the Mortgagor and the Credit Issuer (and may include other parties) providing for the issuance of the Credit Facility, as the same may be amended, modified or supplemented from time to time.

“Credit Facility” means the Letter of Credit or Alternate Security, as the case may be, then providing for the timely payment of the principal of and interest on and Purchase Price, if applicable, of the Bonds.

“Credit Facility Documents” means, collectively, the Credit Agreement, the Loan Agreement, the Mortgage Note, the Mortgage and all other instruments of any nature whatsoever now or hereafter executed and delivered in connection with the Credit Facility.

“Credit Facility Payments” means amounts obtained under a Credit Facility with respect to the Bonds including, but not limited to, amounts drawn under the Letter of Credit.

“Credit Issuer” means RBS Citizens, National Association, as the issuer of or obligor under the Credit Facility; provided, however, that if, pursuant to the Credit Agreement, the issuer of or obligor under the Credit Facility shall have appointed an agent on its behalf (which agent may, but need not, act on behalf of other parties as well) and given notice to the Corporation and the Trustee of such appointment, references in the Resolution to the Credit Issuer shall be deemed to refer to said agent, except that with respect to the issuance of such Credit Facility and the obtaining of amounts thereunder, references in the Resolution to the Credit Issuer shall be deemed to refer to such issuer or obligor under such Credit Facility.

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

“Demand Purchase Option” means the provision of the 2009 Bonds for purchase of any 2009 Bond upon the demand of the owner thereof as described in the Resolution.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors or assigns.

“Escrow Payments” means and includes all amounts whether paid directly to the Corporation, to its assignee of the Mortgage Loan, or to the servicer of the Mortgage Loan representing payments to obtain or maintain mortgage insurance or any subsidy with respect to the Mortgage Loan or the mortgaged premises or payments in connection with real estate taxes, assessments, water charges, sewer rents, fire or other insurance, replacement or operating reserves, the Administrative Fee of the Corporation or other like payments in connection therewith.

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

“Event of Termination” means the event specified in the Resolution as an Event of Termination.

“Facility Change Date” means (i) any date on which a new Credit Facility replaces the prior Credit Facility, or (ii) any date on which a new irrevocable stand-by letter of credit confirmation replaces the Confirmation, or (iii) two (2) Business Days before any date on which (A) so long as the Confirmation is in effect, the Confirmation terminates or expires and is not extended or replaced by a new Confirmation, or (B) so long as the Confirmation is not in effect, the Credit Facility terminates or expires and is not extended or replaced by a new Credit Facility; provided, however, that if, in connection with the issuance of Additional Bonds, an existing Credit Facility is replaced by a Credit Facility issued by the same Credit Issuer that had issued the then existing Credit Facility and such replacement Credit Facility is issued on substantially identical terms and conditions with respect to the rights of the owners of the Bonds (including, but not limited to, the Mandatory Purchase Provision) as the then existing Credit Facility with respect to the Bonds, except that the stated amount of such replacement Credit Facility shall reflect the issuance of such Additional Bonds, then no Facility Change Date shall be deemed to have occurred as a result of such replacement so long as such replacement does not result in the reduction or withdrawal of the then existing rating(s) on the Bonds by the national rating agency or agencies then rating the Bonds; provided further, however, that no Facility Change Date shall occur if the Confirmation is terminated pursuant to the Resolution.

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

“Interest Method Change Date” means any date on which the method of determining the interest rate on the 2009 Bonds changes or which is an Interest Adjustment Date pursuant to the Resolution, as established by the terms and provisions of the Resolution.

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

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

- (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 and State of New York;

(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 State of New York;

(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; and

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

"Letter of Credit" means the irrevocable direct-pay letter of credit issued by RBS Citizens, National Association, in favor of the Trustee, securing the 2009 Bonds on their initial issuance, or the Substitute Letter of Credit, if any.

"Letter of Credit Payments Sub-Account" means the Letter of Credit Payments Sub-Account established pursuant to the Resolution.

"Loan Agreement" means the Construction Loan Agreement, dated as of the date of initial issuance of the Prior Bonds, as amended in connection with the issuance of the 2009 Bonds, by and between the Corporation and the Mortgagor, with respect to the Mortgage Loan, as the same may be further amended, modified or supplemented from time to time.

"Mandatory Purchase Provision" means the purchase provision of the 2009 Bonds for the purchase of any 2009 Bonds on any Change Date pursuant to the Resolution.

"Maximum Rate" means twelve percent (12%) per annum or such higher rate, not to exceed fifteen percent (15%), as may be established in accordance with the provisions of the Resolution.

"Mortgage" means, collectively, the mortgages or other instruments securing the Mortgage Loan, dated as of the date of initial issuance of the Prior Bonds, as the same may be amended, modified or supplemented from time to time.

"Mortgage Documents" means, collectively, (a) the Mortgage and (b) the Mortgage Note.

"Mortgage Loan" means, collectively, the interest-bearing loan or loans, evidenced by the Mortgage Note, to be made by the Corporation to the Mortgagor pursuant to the Loan Agreement, as the same may be amended, modified or supplemented from time to time.

"Mortgage Note" means, collectively, the note or notes of the Mortgagor evidencing the obligation to repay the Mortgage Loan, dated as of the date of initial issuance of the Prior Bonds, as amended in connection with the issuance of the 2009 Bonds, as the same may be further amended, modified or supplemented from time to time.

"Mortgagor" means Q Student Residences, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of New York, which is the mortgagor with respect to the Mortgage Loan, and

its successors and permitted transferees as owner of the Project.

“Notice of Prepayment of the Mortgage Loan” means the notice delivered to the Trustee by the Corporation pursuant to the provisions of the Resolution with respect to the Mortgagor’s election to prepay the Mortgage Loan in full.

“Outstanding”, when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;
- (2) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Resolution; and
- (3) any Bond deemed to have been paid as provided in the Resolution.

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

“Pledge Agreement” means any instrument from the Mortgagor to the Credit Issuer (and which may include other parties) pursuant to which the Mortgagor agrees to pledge 2009 Bonds to the Credit Issuer or the Confirming Bank, as the case may be (and, if applicable, such other parties), in connection with the provision of moneys under a Credit Facility or the Confirmation, as the same may be amended, modified or supplemented from time to time.

“Pledged Bond” means any 2009 Bond pledged to the Credit Issuer or the Confirming Bank, as the case may be, pursuant to the Pledge Agreement in connection with the provision of moneys under the Credit Facility or the Confirmation and as described in the Resolution.

“Pledged Receipts” means (i) the scheduled or other payments required by the Mortgage Loan and paid to or to be paid to the Corporation from any source, including both timely and delinquent payments, (ii) accrued interest, if any, received upon the initial issuance of the 2009 Bonds and (iii) all income earned or gain realized in excess of losses suffered on any investment or deposit of moneys in the Accounts established and maintained pursuant to the Resolution, but shall not mean or include amounts required to be deposited into the Rebate Fund, Recoveries of Principal, any Escrow Payments, late charges or any amount entitled to be retained by the servicer (which may include the Corporation) of the Mortgage Loan, as administrative, financing, extension or settlement fees.

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

“Principal Office”, when used with respect to the Trustee shall mean U.S. Bank National Association, One Penn Plaza, Suite 1414, New York, New York 10119, Attention: Corporate Trust – NY 4040, when used with respect to the Tender Agent shall mean the same address as that of the Trustee or the address of any successor Tender Agent appointed in accordance with the terms of the Resolution, and when used with respect to the Remarketing Agent shall mean RBC Capital Markets Corporation, One Liberty Plaza, Second Floor, New York, New York 10006-1446, Attention: Short-Term Desk or such other offices designated to the Corporation in writing by the Trustee, Tender Agent or Remarketing Agent, as the case may be.

“Prior Bonds” means the Corporation’s Residential Revenue Bonds (Queens College Residences), 2008 Series A, authorized by the Prior Resolution.

“Prior Resolution” means the Residential Revenue Bonds (Queens College Residences) Bond Resolution, adopted by the Corporation on April 15, 2008.

“Project” means the residential housing development located on the Queens College campus at 64-80 Kissena Boulevard in the Borough of Queens and County of Queens, City and State of New York, as more fully described under the caption “THE PROJECT AND THE MORTGAGOR”.

“Purchase Price” means an amount equal to one hundred percent (100%) of the principal amount of any 2009 Bond plus accrued and unpaid interest thereon to the date of purchase.

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

“Rebate Fund” means the Rebate Fund established pursuant to the Resolution.

“Record Date” means the Business Day immediately preceding any Interest Payment Date.

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

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

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

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

“Regulatory Agreement” means the Regulatory Agreement, dated as of the date of initial issuance of the Prior Bonds, by and among the Corporation, the Mortgagor and Queens College Special Projects Fund, Inc., as the same may be amended, modified or supplemented from time to time.

“Remarketing Agent” means, with respect to the 2009 Bonds RBC Capital Markets Corporation, and its successors appointed in accordance with the terms of the Resolution.

“Remarketing Agreement” means, with respect to the 2009 Bonds, the Remarketing Agreement, dated as of the date of initial issuance of the 2009 Bonds, by and among the Mortgagor, the Corporation and the Remarketing Agent, as the same may be amended or supplemented from time to time, or any replacement thereof.

“Remarketing Proceeds Purchase Account” means the Remarketing Proceeds Purchase Account set forth in the Resolution.

“Resolution” means the Residential Revenue Bonds (Queens College Residences) Bond Resolution adopted by the Corporation on August 12, 2009 and any amendments or supplements made in accordance with its terms.

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

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

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

“Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index” means the rate equal to the index of the weekly interest rate resets of the tax-exempt variable rate issues included in a database maintained by Municipal Market Data, a Thomson Financial Services Company, or its successors.

“Series” means the 2009 Bonds or any series of Additional Bonds.

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

“State” means the State of New York.

“Substitute Letter of Credit” means, with respect to a Series of Bonds, an irrevocable letter of credit delivered to the Trustee for the benefit of the owners of the 2009 Bonds (i) issued by a bank approved by the Corporation, provided that the approval by the Corporation shall not be unreasonably withheld, (ii) replacing any existing Letter of Credit, (iii) dated as of a date not later than the expiration date of the Letter of Credit for which the same is to be substituted, (iv) which shall expire on a date not earlier than fifteen (15) days after an Interest Payment Date for such Series of Bonds, and (v) issued on substantially identical terms and conditions with respect to the rights of the owners of the 2009 Bonds (including, but not limited to, the Mandatory Purchase Provision) as the then existing Letter of Credit with respect to such Series of Bonds, except that the stated amount of the Substitute Letter of Credit shall equal the sum of (x) the aggregate principal amount of such Series of Bonds at the time Outstanding, plus (y) an amount equal to at least thirty-four (34) days of interest (at the Maximum Rate) on all Bonds of such Series at the time Outstanding, or such other amount as the Corporation shall determine based on then current rating agency standards. The Confirmation shall not constitute a Substitute Letter of Credit.

“Supplemental Resolution” means any resolution supplemental to or amendatory of the Resolution, adopted by the Corporation and effective in accordance with the Resolution.

“Tender Agent” means U.S. Bank National Association, a national banking association, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party, or any successor Tender Agent appointed in accordance with the terms of the Resolution.

“Tender Agent Agreement” means the agreement among the Trustee, as Trustee and Tender Agent, the Corporation, the Mortgagor and the Remarketing Agent, dated as of the date of initial issuance of the 2009 Bonds, as the same may be amended or supplemented from time to time, or any replacement thereof.

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

“2009 Bonds” means the 2009 Series A Bonds authorized to be issued pursuant to the Resolution.

“Undelivered Bonds” means (i) with respect to the Mandatory Purchase Provision, any 2009 Bonds which have not been delivered to the Tender Agent for purchase on or prior to the Change Date, or (ii) with respect to the

Demand Purchase Option, any 2009 Bonds not delivered to the Tender Agent for purchase after notice of tender within the time period prescribed by the Resolution.

“Weekly Effective Rate Date” means, (i) with respect to the Weekly Rate Term immediately following the issuance and delivery of the 2009 Bonds, the date of such issuance and delivery, (ii) with respect to any Weekly Rate Term following another Weekly Rate Term, Thursday of any week and (iii) with respect to a Weekly Rate Term that does not follow another Weekly Rate Term, the Interest Method Change Date with respect thereto.

“Weekly Rate” means the rate of interest on the 2009 Bonds, described in “DESCRIPTION OF THE 2009 BONDS—Interest Rate Periods—Weekly Rate Period”.

“Weekly Rate Period” means any period of time during which the 2009 Bonds bear interest at the Weekly Rate.

“Weekly Rate Term” means the period commencing on a Weekly Effective Rate Date and terminating on the earlier of the last calendar day prior to the Weekly Effective Rate Date of the following Weekly Rate Term, or the last calendar day prior to a Change Date.

“Wrongful Dishonor” means (i) an uncured and willful default or repudiation by the Credit Issuer or the Confirming Bank, or (ii) an uncured default resulting from the gross negligence of the Credit Issuer or the Confirming Bank, in each case, of the respective obligations of each to honor a drawing as required pursuant to the terms of the Credit Facility and the Credit Agreement or the Confirmation.

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ACTIVITIES OF THE CORPORATION

The Corporation is engaged in the various activities and programs described below.

I. BOND PROGRAMS. The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the programs described below. The multi-family residential developments financed under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution, adopted by its Members on July 27, 1993, as amended from time to time (the "General Resolution") are described below in "Section C – Housing Revenue Bond Program." As of July 31, 2009, the Corporation had bonds outstanding in the aggregate principal amount of approximately \$7,303,206,715. All of the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution. None of the bonds under the bond programs described in "Section A–Multi-Family Program," "Section D–Liberty Bond Program," and "Section E–Section 223(f) Refinancing Program" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

A. Multi-Family Program. The Corporation established its Multi-Family Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low income tenants. The following describes the Corporation's activities under its Multi-Family Program.

(1) Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Federal Home Loan Mortgage Corporation ("Freddie Mac").

(2) Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(3) Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for college students, faculty and staff which bonds are secured by bond insurance or letters of credit issued by investment-grade rated institutions.

(4) Cooperative Housing; SONYMA-Insured Mortgage Loan: The Corporation has issued tax-exempt obligations in order to fund underlying mortgage loans to cooperative housing developments. Each mortgage loan in this program is insured by the State of New York Mortgage Agency ("SONYMA").

(5) Rental Project; REMIC-Insured Mortgage Loan: The Corporation has issued tax-exempt bonds to finance a mortgage loan for a residential facility, which mortgage loan is insured by the New York City Residential Mortgage Insurance Corporation ("REMIC"), which is a subsidiary of the Corporation.

(6) Senior Housing; Letter of Credit Enhanced: The Corporation has issued tax-exempt obligations to finance a mortgage loan for low-income senior housing, which obligations are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(7) Cooperative Housing; Letter of Credit Enhanced: The Corporation has issued taxable obligations in order to fund underlying mortgage loans to cooperative housing developments, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

B. Military Housing Revenue Bond Program. Under this program, the Corporation has issued taxable obligations in order to fund a portion of the costs of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

C. Housing Revenue Bond Program. Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under the General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, SONYMA-insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments. As of July 31, 2009, one hundred and eighteen (118) series of bonds have been issued under the Housing Revenue Bond Program.

D. Liberty Bond Program. In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit, to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the “Liberty Zone.”

E. Section 223(f) Refinancing Program. Under this program, the Corporation acquires mortgages originally made by The City of New York (the “City”), obtains federal insurance thereon and either sells such insured mortgages or issues its obligations secured by said insured mortgages and pays the net proceeds of the sale of such mortgages or issuance of obligations to the City. Each series of bonds issued under this program is secured by a mortgage loan insured by FHA pursuant to Section 223(f) of Title II of the National Housing Act of 1934, as amended (the “National Housing Act”). Debt service on each series of bonds is paid only from monies received on account of the applicable mortgage loan securing such series, including, with respect to certain projects, interest reduction subsidy payments received by the Corporation pursuant to Section 236 of the National Housing Act.

F. Capital Fund Revenue Bond Program. Under this program, the Corporation has issued tax-exempt obligations in order to assist the New York City Housing Authority with the execution of a multi-year construction initiative that will address critical capital improvement needs of their aging housing portfolio.

The following table summarizes bonds outstanding under these bond programs as of July 31, 2009:

	<u>No. of Units</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Year of Issue</u>
<u>MULTI-FAMILY PROGRAM</u>				
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
Related-Carnegie Park	461	\$66,800,000	\$66,800,000	1997
Related-Monterey	522	\$104,600,000	\$104,600,000	1997
Related-Tribeca Tower	440	\$55,000,000	\$55,000,000	1997
One Columbus Place Development	729	\$150,000,000	\$142,300,000	1998
100 Jane Street Development	148	\$17,875,000	\$16,450,000	1998
Brittany Development	272	\$57,000,000	\$57,000,000	1999
West 43 rd Street Development	375	\$55,820,000	\$51,900,000	1999
Related-West 89 th Street Development	265	\$53,000,000	\$53,000,000	2000
Queenswood Apartments	296	\$10,800,000	\$10,800,000	2001
Related-Lyric Development	285	\$91,000,000	\$89,000,000	2001
James Tower Development	201	\$22,200,000	\$20,810,000	2002
The Foundry	222	\$60,400,000	\$55,300,000	2002
Related Sierra Development	212	\$56,000,000	\$56,000,000	2003

	<u>No. of Units</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Year of Issue</u>
West End Towers	1,000	\$135,000,000	\$135,000,000	2004
Related Westport Development	371	\$124,000,000	\$123,800,000	2004
Atlantic Court Apartments	321	\$104,500,000	\$102,300,000	2005
Progress of Peoples Developments	1,008	\$83,400,000	\$52,680,000	2005
Royal Charter Properties East, Inc. Project	615	\$98,775,000	\$93,250,000	2005
The Nicole	149	\$65,000,000	\$63,700,000	2005
Rivereast Apartments	196	\$56,800,000	\$56,100,000	2006
Seaview Towers	462	\$32,000,000	\$24,305,000	2006
155 West 21st Street Development	110	\$52,700,000	\$52,300,000	2007
Ocean Gate Development	542	\$48,500,000	\$47,350,000	2007
West 61 st Street Apartments	211	\$68,000,000	\$66,715,000	2007
Linden Plaza	1,527	\$73,900,000	\$72,760,000	2008
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
Columbus Apartments Project	166	\$23,570,000	\$21,870,000	1995
West 48 th Street Development	109	\$22,500,000	\$20,000,000	2001
First Avenue Development	231	\$44,000,000	\$44,000,000	2002
Renaissance Court	158	\$35,200,000	\$35,200,000	2004
89 Murray Street Development	232	\$49,800,000	\$49,800,000	2005
Linden Boulevard Apartments	300	\$14,000,000	\$14,000,000	2006
245 East 124 th Street	185	\$40,000,000	\$40,000,000	2008
Aldus Street Apartments	164	\$14,200,000	\$8,100,000	2004
Courtlandt Avenue Apartments	167	\$15,000,000	\$7,905,000	2004
Hoe Avenue Apartments	136	\$11,900,000	\$6,660,000	2004
Louis Nine Boulevard Apartments	95	\$9,500,000	\$7,300,000	2004
Nagle Courtyard Apartments	100	\$9,000,000	\$4,200,000	2004
Odgen Avenue Apartments	130	\$10,500,000	\$4,760,000	2004
Peter Cintron Apartments	165	\$14,400,000	\$7,840,000	2004
33 West Tremont Avenue Apartments	84	\$8,450,000	\$3,490,000	2005
270 East Burnside Avenue Apartments	114	\$13,000,000	\$6,400,000	2005
1904 Vyse Avenue Apartments	96	\$9,650,000	\$4,335,000	2005
Highbridge Apartments	296	\$32,500,000	\$13,600,000	2005
Morris Avenue Apartments	210	\$22,700,000	\$14,700,000	2005
Ogden Avenue Apartments II	59	\$5,300,000	\$2,500,000	2005
White Plains Courtyard Apartments	100	\$9,900,000	\$4,900,000	2005
Bathgate Avenue Apartments	89	\$12,500,000	\$4,435,000	2006
Reverend Ruben Diaz Gardens Apartments	111	\$13,300,000	\$6,400,000	2006
Villa Avenue Apartments	111	\$13,700,000	\$5,990,000	2006

	<u>No. of Units</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Year of Issue</u>
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>				
Related-Upper East	262	\$70,000,000	\$70,000,000	2003
Brookhaven Apartments	95	\$9,100,000	\$8,800,000	2004
East 165 th Street Development	136	\$13,800,000	\$7,665,000	2004
Manhattan Court Development	123	\$17,500,000	\$17,500,000	2004
Marseilles Apartments	135	\$13,625,000	\$12,825,000	2004
Parkview Apartments	110	\$12,605,000	\$5,935,000	2004
Thessalonica Court Apartments	191	\$19,500,000	\$18,800,000	2004
15 East Clarke Place Apartments	102	\$11,600,000	\$5,430,000	2005
1090 Franklin Avenue Apartments	60	\$6,200,000	\$2,320,000	2005
2007 La Fontaine Avenue Apartments	88	\$8,500,000	\$3,825,000	2005
Grace Towers Apartments	168	\$11,300,000	\$11,100,000	2005
La Casa del Sol	114	\$12,800,000	\$5,050,000	2005
Parkview II Apartments	88	\$10,900,000	\$4,255,000	2005
The Schermerhorn Development	217	\$30,000,000	\$6,420,000	2005
Urban Horizons II Development	128	\$19,600,000	\$19,600,000	2005
500 East 165 th Street Apartments	128	\$17,810,000	\$17,810,000	2006
1405 Fifth Avenue Apartments	80	\$14,190,000	\$14,190,000	2006
Beacon Mews Development	125	\$23,500,000	\$23,500,000	2006
Granite Terrace Apartments	77	\$9,300,000	\$4,060,000	2006
Granville Payne Apartments	103	\$12,250,000	\$5,560,000	2006
Intervale Gardens Apartments	66	\$8,100,000	\$3,115,000	2006
Markham Gardens Apartments	240	\$25,000,000	\$25,000,000	2006
Pitt Street Residence	263	\$31,000,000	\$31,000,000	2006
Spring Creek Apartments I and II	582	\$24,000,000	\$24,000,000	2006
Target V Apartments	83	\$7,200,000	\$7,100,000	2006
550 East 170 th Street Apartments	98	\$14,300,000	\$14,300,000	2007
Boricua Village Apartments	85	\$28,300,000	\$28,300,000	2007
Cook Street Apartments	152	\$26,600,000	\$26,600,000	2007
Queens Family Courthouse Apartments	277	\$120,000,000	\$120,000,000	2007
Susan's Court	125	\$24,000,000	\$24,000,000	2007
The Dorado Apartments	58	\$8,750,000	\$8,750,000	2007
The Plaza	383	\$30,000,000	\$30,000,000	2007
Las Casas Development	227	\$36,880,000	\$36,880,000	2008
Bruckner by the Bridge	419	\$68,500,000	\$68,500,000	2008
Hewitt House Apartments	83	\$11,000,000	\$11,000,000	2008
Sons of Italy Apartments	106	\$7,670,000	\$7,670,000	2009

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
Beekman Tower	N/A	\$238,050,000	\$238,050,000	2009
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>				
Chelsea Centro	356	\$86,900,000	\$76,600,000	2002
<i>Residential Revenue Bonds – Letter of Credit Enhanced</i>				
Montefiore Medical Center Project	116	\$8,400,000	\$7,400,000	1993
The Animal Medical Center	42	\$10,140,000	\$10,140,000	2003
Queens College Residences	144	\$69,865,000	\$69,865,000	2008
<i>Mortgage Revenue Bonds – Cooperative Housing; SONYMA-Insured Mortgage Loan</i>				
Maple Court Cooperative	134	\$12,330,000	\$9,965,000	1994
Maple Plaza Cooperative	154	\$16,750,000	\$14,250,000	1996
<i>Multi-Family Mortgage Revenue Bonds –Rental Project; REMIC-Insured Mortgage Loan</i>				
Barclay Avenue Development	66	\$5,620,000	\$4,940,000	1996
<i>Multi-Family Mortgage Revenue Bonds – Senior Housing; Letter of Credit Enhanced</i>				
55 Pierrepont Development	189	\$6,100,000	\$4,600,000	2000
<i>Mortgage Revenue Bonds – Cooperative Housing Letter of Credit Enhanced</i>				
Prospect Macy	63	\$8,565,000	\$8,565,000	2008
East Harlem South	117	\$26,700,000	\$26,700,000	2008
<i>Multi-Family Secured Mortgage Revenue Bonds – Cooperative Housing</i>	401	\$14,155,000	\$13,935,000	2005-2008
<u>MILITARY HOUSING REVENUE BOND PROGRAM</u>				
Fort Hamilton Housing	228	\$47,545,000	\$47,165,000	2004
<u>HOUSING REVENUE BOND PROGRAM</u>				
<i>Multi-Family Housing Revenue Bonds¹</i>	82,051	\$3,926,670,000	\$2,700,300,000	1993-2009
<u>LIBERTY BOND PROGRAM</u>				
<i>Multi-Family Mortgage Revenue Bonds</i>				
90 Washington Street ²	398	\$74,800,000	\$74,800,000	2005
The Crest ³	476	\$143,800,000	\$143,200,000	2005
2 Gold Street ²	650	\$217,000,000	\$214,600,000	2006

¹ Aggregate information for all one hundred and eighteen (118) series of bonds that the Corporation has issued under its Housing Revenue Bond Program from 1993 through 2009 as described in Section B above.

² This project was also financed under the “Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced” Program as described in Section A above.

³ This project was also financed under the “Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced” Program as described in Section A above.

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
20 Exchange Place ³	366	\$210,000,000	\$210,000,000	2006
90 West Street ²	410	\$112,000,000	\$112,000,000	2006
201 Pearl Street Development ²	189	\$90,000,000	\$90,000,000	2006
Beekman Tower	904	\$203,900,000	\$203,900,000	2008
SECTION 223(f) REFINANCING PROGRAM				
<i>Multifamily Housing Limited Obligations Bonds</i>	964	\$79,998,100	\$6,107,363	1977
<i>FHA-Insured Mortgage Loans</i>	3,182	\$299,886,700	\$34,044,352	1978
CAPITAL FUND REVENUE BOND PROGRAM				
<i>New York City Housing Authority Program</i>	N/A	\$281,610,000	\$246,615,000	2005
TOTAL	<u>111,925</u>	<u>\$9,203,804,800</u>	<u>\$7,306,206,715</u>	

II. MORTGAGE LOAN PROGRAMS. The Corporation funds mortgage loans under various mortgage loan programs, including the significant programs described below. These mortgage loans are funded from bond proceeds and/or the Corporation's unrestricted reserves. See "PART I—BOND PROGRAMS" above.

A. *Affordable Housing Permanent Loan Program.* The Corporation has established a program to make permanent mortgage loans for projects constructed or rehabilitated, often in conjunction with The City of New York Department of Housing Preservation and Development ("HPD") and other lender loan programs.

B. *Low-Income Affordable Marketplace Program.* The Low-income Affordable Marketplace Program ("LAMP") finances the creation of predominately low-income housing using tax-exempt bonds and as of right 4% tax credits with 10% to 30% of the project reserved for formerly homeless households. LAMP allows the direct infusion of subsidy from the Corporation's reserves. The funds are advanced during construction and remain in the project through the term of the permanent mortgage loan. During construction, the funds bear interest at 1%. While in the permanent phase, the funds must at least bear interest at 1%, but may provide for amortization, depending on the particular project.

C. *Mixed Income.* Under the Mixed-Income Program, HDC combines the use of credit enhanced variable rate, tax-exempt private activity bonds with subordinate loans funded from the Corporation's reserves to finance mixed-income multi-family rental housing. Typically, the developments reserve 50% of the units for market rate tenants, 30% of the units for moderate to middle income tenants and 20% of the units for low income tenants.

D. *New Housing Opportunities Program.* The Corporation has established a New Housing Opportunities Program ("New HOP") to make construction and permanent mortgage loans for developments intended to house low and moderate income tenants. The developments also receive subordinate loans from the Corporation. The first mortgage loans under New HOP have been, or are expected to be, financed by the proceeds of obligations issued under the Housing Revenue Bond Program. See "Section C—Housing Revenue Bond Program" in PART I—BOND PROGRAMS above.

III. OTHER LOAN PROGRAMS. In addition to funding mortgage loans, the Corporation funds loans not secured by a mortgage under various programs, including the programs described below.

A. *New Ventures Incentive Program.* The Corporation participated in the New Ventures Incentive Program ("NewVIP"), a multi-million dollar public-private partnership between the City and member banks established in the fall of 2003. The Corporation originated three NewVIP loans, all of which have been repaid.

B. *Other.* Among other programs, the Corporation has funded a loan to finance the construction of military housing at Fort Hamilton in Brooklyn, New York secured by notes and financed through the issuance of

bonds. The Corporation has funded a loan to the New York City Housing Authority (“NYCHA”) to provide funds for modernization and to make certain improvements to numerous various public housing projects owned by NYCHA in the City. The Corporation has provided interest-free working capital loans to not-for-profit sponsors of projects through HPD’s Special Initiatives Program. The proceeds of such loans are used for rent-up expenses and initial operation costs of such projects. The Corporation also has provided interim assistance in the form of unsecured, interest-free loan to the Neighborhood Partnership Housing Development Fund Company, Inc. to fund certain expenses associated with HPD’s Neighborhood Entrepreneurs Program.

IV. LOAN SERVICING. The Corporation services the majority of its own loans and also services loans for others. Such loan servicing activities, which are described below, relate to over 1,444 mortgage loans with an approximate aggregate face amount of \$11.6 billion.

A. Portfolio Servicing. The Corporation acts as loan servicer in connection with the permanent mortgage loans made to approximately 624 developments under its bond, mortgage loan and other loan programs (including its Housing Revenue Bond Program) in the approximate aggregate face amount of \$6.5 billion.

B. HPD Loan Servicing. The Corporation acts as loan servicer in connection with certain construction and permanent housing loan programs of HPD pursuant to several agreements with HPD. As of July 31, 2009, the Corporation was servicing construction and permanent loans made to approximately 600 developments in the approximate aggregate face amount of \$2.2 billion.

C. Loan Servicing Monitoring. In addition to the Corporation’s loan servicing activities, the Corporation monitors the loan servicing activities of other servicers who service approximately 220 mortgage loans made under the Corporation’s various bond, mortgage loan and other loan programs in the approximate aggregate face amount of \$2.9 billion.

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PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon delivery of the 2009 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to issue its approving opinion in substantially the following form:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION
110 William Street
New York, New York 10038

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$69,865,000 Residential Revenue Bonds (Queens College Residences), 2009 Series A (the “2009 Bonds”) of the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”).

The 2009 Bonds are authorized to be issued pursuant to the Act and the Residential Revenue Bonds (Queens College Residences) Bond Resolution of the Corporation, adopted on August 12, 2009 (herein called the “Resolution”). The 2009 Bonds are being issued for the purpose of refunding the Prior Bonds (as defined in the Resolution).

The 2009 Bonds are dated, mature, are payable, bear interest and are subject to redemption and tender as provided in the Resolution.

The Corporation is authorized to issue other Bonds (as defined in the Resolution), in addition to the 2009 Bonds, for the purposes and upon the terms and conditions set forth in the Resolution, and such Bonds, when issued, shall, with the 2009 Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

We have not examined nor are we passing upon matters relating to the real and personal property referred to in the Mortgage, nor are we passing upon the Loan Agreement, the Mortgage, the other Mortgage Documents or the Assignment (as such terms are defined in the Resolution). In rendering this opinion, we have assumed the validity and enforceability of the Loan Agreement, the Mortgage, the other Mortgage Documents and the Assignment.

Upon the basis of the foregoing, we are of the opinion that:

1. The Corporation has been duly created and validly exists as a corporate governmental agency constituting a public benefit corporation, under and pursuant to the laws of the State of New York (including the Act), and has good right and lawful authority, among other things, to refund the Prior Bonds, to provide sufficient funds therefor by the adoption of the Resolution and the issuance and sale of the 2009 Bonds, and to perform its obligations under the terms and conditions of the Resolution, including refunding the Prior Bonds, as covenanted in the Resolution.

2. The Resolution has been duly adopted by the Corporation, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms.

3. The 2009 Bonds have been duly authorized, sold and issued by the Corporation in accordance with the Resolution and the laws of the State of New York (the “State”), including the Act.

4. The 2009 Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Resolution, are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

5. The Bonds, including the 2009 Bonds, are secured by a pledge in the manner and to the extent set forth in the Resolution. The Resolution creates the valid pledge of and lien on the Revenues (as defined in the Resolution) and all the Accounts (other than the Rebate Fund) established by the Resolution and moneys and securities therein, which the Resolution purports to create, subject only to the provisions of the Resolution permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

6. Pursuant to the Resolution, the Corporation has validly covenanted in the manner and to the extent provided in the Resolution, among other things, to refund the Prior Bonds, subject to the requirements of the Resolution with respect thereto.

7. The 2009 Bonds are not a debt of the State or The City of New York and neither is liable thereon, nor shall the 2009 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged for the payment thereof.

8. Under existing statutes and court decisions, (i) interest on the 2009 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2009 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagor (as defined in the Resolution) and others, in connection with the 2009 Bonds, and we have assumed compliance by the Corporation and the Mortgagor with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2009 Bonds from gross income under Section 103 of the Code. In addition, we have relied on the opinion of counsel to the Mortgagor regarding, among other matters, the current qualifications of the sole member of the Mortgagor as an organization described in Section 501(c)(3) of the Code.

9. Under existing statutes, interest on the 2009 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal or state tax consequences with respect to the 2009 Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2009 Bonds, or the exemption from personal income taxes of interest on the 2009 Bonds under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2009 Bonds and the Resolution may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed 2009 Bond and in our opinion the form of said Bond and its execution are regular and proper.

Very truly yours,