

This Official Statement has been prepared by the New York City Housing Development Corporation (the "Corporation") to provide information about the Series A Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series A Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

\$34,561,047

New York City Housing Development Corporation

**Multi-Family Housing Pass-Through Revenue Bonds,
2014 Series A (Federally Taxable)**

Dated: Date of Delivery

Due: as shown below

Taxable	<i>In the opinion of Bond Counsel to the Corporation, interest on the Series A Bonds is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended. In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series A 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" herein.</i>
Redemption	The Series A Bonds are subject to redemption prior to maturity, including mandatory and special optional redemption at par under certain circumstances. For a more complete description of the redemption provisions, see "THE SERIES A BONDS - Redemption."
Security	The Series A Bonds are payable solely from and secured solely by a pledge of the Trust Estate (as more fully described herein). The 2014 Series A Bonds are special revenue obligations of the Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York. The 2014 Series A Bonds are not a debt of either the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the 2014 Series A Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.
Interest Payment Dates	The fifteenth day of each month (or if any such day is not a Business Day, on the next succeeding Business Day), commencing July 2014, and at maturity or earlier redemption.
Denominations	\$1.00 or any integral multiple thereof.
Closing/Settlement	June 26, 2014 through the facilities of DTC in New York, New York, or its custodial agent.
Bond Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Underwriter's Counsel	Orrick, Herrington & Sutcliffe LLP, New York, New York.
Trustee	The Bank of New York Mellon, New York, New York.
Book-Entry-Only System	The Depository Trust Company. See "THE SERIES A BONDS – Book-Entry-Only System."

\$34,561,047 of 3.05% Series A Bonds due June 15, 2036 - Price: 100% CUSIP Number*: 64972CBD4

The Series A Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and to the unqualified approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters related to the Series A Bonds will be passed upon for the Corporation by its General Counsel and for the Underwriter by its Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that the Series A Bonds will be available for delivery in New York, New York on or about June 26, 2014.

Barclays

The date of this Official Statement is June 19, 2014

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. The CUSIP numbers are included solely for the convenience of Bondholders and the Corporation is not responsible for the selection or the correctness of the CUSIP numbers printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

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 Series A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the Corporation or by 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 furnished by the Corporation and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter or 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 Corporation or changes involving the Series A Loans or the other matters described since the date hereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation of the Corporation or the Underwriter that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The forecasts, projections and estimates have not been examined or compiled by the Corporation's auditors, nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Corporation's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

THE SERIES A BONDS 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 COMPLETENESS OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES A 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 SERIES A BONDS TO CERTAIN DEALERS AND CERTAIN DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

\$34,561,047

Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A (Federally Taxable)

This Official Statement provides certain information concerning the New York City Housing Development Corporation (the “Corporation”) in connection with the sale of the Corporation’s \$34,561,047 principal amount of Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A (Federally Taxable) (the “Series A Bonds”). The Series A 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 “Multi-Family Housing Pass-Through Revenue Bond Resolution Authorizing the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A” (the “Resolution”) adopted by the Members of the Corporation on June 10, 2014. The Resolution constitutes a contract between the Corporation and the holders of the bonds issued thereunder. Certain terms used in this Official Statement and the Resolution have the meanings set forth in “APPENDIX II - Form of Resolution” attached hereto.

INTRODUCTORY STATEMENT

The Corporation 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 (the “City”) within the financial reach of 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, through the provision of low interest mortgage loans.

The Series A Bonds are being issued by the Corporation to provide moneys to finance the acquisition of certain loans (the “Series A Loans” or the “Mortgage Loans”), see “APPENDIX I—Certain Information Regarding the Series A Loans.” Costs of issuance of the Series A Bonds and the initial Debt Service Reserve Fund deposit will be funded by the Corporation with other available funds. The interest payable on the Series A Bonds on July 15, 2014 will also be funded by the Corporation on the Closing Date with other available funds. Such amount will be deposited into the Debt Service Fund. See “SOURCES AND USES OF FUNDS.”

The Series A Loans allocated to the Series A Bonds are partially insured by the New York City Residential Mortgage Insurance Corporation, a subsidiary corporation of the Corporation (“REMIC”), as more fully described herein. The REMIC Insurance for each Series A Loan provides for payment based on a specified percentage of the unpaid principal balance of and interest on such Series A Loan as of the date of filing a claim for loss. In addition, the developments related to the Mortgage Loans (the “Developments”) received subordinate low interest rate loans from the Corporation pursuant to the Corporation’s New Housing Opportunities Program (“New HOP”), as more fully described herein. See “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT.”

The Series A Loans are evidenced by mortgage notes (the “Mortgage Notes”) secured by mortgages on multi-family residential developments located in the City. See “APPENDIX I - Certain Information Regarding the Series A Loans.”

The Series A Bonds are special revenue obligations of the Corporation secured solely by a pledge of the Trust Estate (as more fully described in “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT – General”), which includes the Series A Loans, Loan Repayments and Prepayments and the Funds and Accounts established under the Resolution (including the Debt Service Reserve Fund). See “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT.”

Excess revenues constituting interest received on the Series A Loans and investment earnings on the Loan Repayments and Prepayments remaining after the funding of the Debt Service Fund for the Series A Bonds and replenishing any deficiencies in the Debt Service Reserve Fund will be deposited in the Excess Revenue Fund and will be available to pay debt service on the Series A Bonds if Revenues on future Interest Payment Dates are insufficient. Amounts on deposit in the Excess Revenue Fund in excess of one month's scheduled interest and principal payments due on all Series A Loans may be withdrawn by the Corporation free and clear of the lien of the Resolution on each April 15 and October 15, after the payment of debt service on the Series A Bonds on such dates. In addition, the Corporation has covenanted in the Resolution to take all steps necessary to release excess revenues, if any, from the Corporation's Open Resolution (defined herein) and use such released revenues to pay debt service on the Series A Bonds if Revenues and amounts on deposit in the Excess Revenue Fund are insufficient. See "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT." Notwithstanding the foregoing, the inability of the Corporation to satisfy the conditions to release such amounts from the Open Resolution will not be an Event of Default under the Resolution.

The Series A Bonds are subject to mandatory redemption in whole or in part on each Interest Payment Date, beginning on August 15, 2014, at a Redemption Price equal to 100% of the principal amount of the Series A Bonds to be redeemed, without premium, in an amount equal to the principal portion of Loan Repayments and Prepayments received by or on behalf of the Corporation during the calendar month preceding such Interest Payment Date (or, in the case of August 15, 2014, on and after the Closing Date through the last day of the calendar month preceding such Interest Payment Date). See "THE SERIES A BONDS – Redemption."

The Series A Bonds are also subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the Outstanding principal amount of the Series A Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium. See "THE SERIES A BONDS – Redemption."

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

There follows in this Official Statement a description of the Corporation, certain information regarding the Series A Loans, together with other information, including summaries of certain terms of the Series A Bonds, the Resolution and certain provisions of the Act. All references herein to the Act and the Resolution are qualified in their entirety by reference to such laws and the regulations promulgated thereunder and such instruments or documents, and all references to the Series A Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolution.

NEW YORK CITY HOUSING DEVELOPMENT 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 the 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, 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 Series A Bonds, notes, or other obligations are outstanding.

The sale of the Series A 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 Series A Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

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.

Loan Servicing; Asset Management

The Corporation has been servicing loans for more than twenty (20) years. All of the Mortgage Loans have been serviced by the Corporation since converting to permanent loans and will continue to be serviced by the Corporation following the issuance of the Series A Bonds. Servicing by the Corporation includes the collection of mortgage payments from the Borrowers of the applicable Developments. The following is a description of the Corporation’s current practices and procedures relating to the servicing of the Mortgage Loans. The Corporation may change its practices and procedures without notice to or the consent of the Bondholders or the Trustee.

Any escrow account for the payment of taxes, hazard insurance or mortgage insurance that is maintained by the Corporation for a Development is funded from the monthly revenues of each such Development. Each Borrower is also required to maintain a reserve fund for replacements with the Corporation. These reserve funds for replacements are funded from the monthly revenues of their respective Development. In general, the applicable escrows and reserves for the Developments serviced by the Corporation were funded at the required levels. The Corporation requires audited annual financial statements for each Development serviced by the Corporation to be furnished to the Corporation annually.

The Corporation conducts an annual site review of each Development to monitor its physical condition. During this review, the Corporation undertakes various procedures to monitor the exterior and interior physical condition of the Developments. The Corporation’s inspection ratings for the Developments, which incorporate inspection ratings established by the U.S. Department of Housing and Urban Development for FHA-insured mortgage loans, include five rating levels: superior (HUD score: 90-100), above average (HUD score: 80-89), satisfactory (HUD score: 60-79), below average (HUD score: 46-59) and unsatisfactory (HUD score: 0-45). The physical condition of the Developments is set forth under “APPENDIX I – Certain Information Regarding the Series A Loans.” All of the Developments were rated satisfactory as of their last inspection, except the 140-26 Franklin Ave. Development was rated above average. The Corporation is considering monitoring those Developments with a “superior” rating less frequently than annually.

The Corporation’s inspection reviews include recommendations for curing deficiencies. The Corporation monitors those Developments which receive below average and unsatisfactory ratings in order to determine whether (i) required reports have been made and/or (ii) curative work has been undertaken and completed within a prescribed time frame. In order to cure deficiencies and thus improve the ratings of such Developments, the Corporation may advise the Borrower to request a drawdown on its respective reserve fund for replacements. If the reserves are not sufficient to cover the work required to improve a Development’s rating or if the Corporation has determined that the low rating is due to Borrower neglect, the Corporation will meet with the Borrower to discuss corrective actions in all review reporting areas which include management practices and financial operations, as well as physical

condition. In addition, the Corporation conducts an annual review of the inspected Developments to monitor their financial condition.

The Corporation requires property, liability, boiler and machinery, and fidelity insurance for the Mortgage Loans that it services. Property insurance must cover at least the outstanding Mortgage Loan amount and lost rental value of at least one year's rental income at the Development. As of May 31, 2014, all of the Developments were in compliance with the Corporation's insurance requirements.

Potential Legislative and Regulatory Actions

From time to time, legislation is introduced on the Federal and State levels which, if enacted into law, could affect the Corporation, its operations or its bonds. The Corporation is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Corporation) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Corporation, its operations and its bonds.

THE SERIES A BONDS

General Description

The Series A Bonds mature on the date and bear interest at the rate set forth on the cover page of this Official Statement. Interest on the Series A Bonds accrues from date of delivery of the Series A Bonds and is payable on the fifteenth day of each month (or if any such day is not a Business Day, on the next succeeding Business Day), commencing July 2014, and at maturity or earlier redemption.

The Series A Bonds are issuable only as fully registered bonds in denominations of \$1.00 or any integral multiple thereof. When issued, the Series A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series A Bonds. Individual purchases of the Series A Bonds will be made in book-entry-only form, and purchasers of Series A Bonds will not receive certificates representing their interest in such Series A Bonds. So long as Cede & Co. is the sole registered owner of the Series A Bonds, references herein to the registered owners or the Series A Bonds shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the Series A Bonds. See "THE SERIES A BONDS – Book-Entry-Only System."

So long as the Series A Bonds are registered in book-entry-only form, principal or Redemption Price of, and interest on the Series A Bonds will be payable to Cede & Co., as aforesaid. If the Series A Bonds are issued in certificated form, interest on the Series A Bonds will be thereafter payable by check or draft mailed to the registered owner thereof at such owner's address as shown on the applicable record date on the registration books of the Corporation kept for that purpose at the principal corporate trust office of The Bank of New York Mellon, as Trustee, or, following appropriate notice to the Trustee, by wire transfer on the Interest Payment Date to any registered owner of the Series A Bonds in an aggregate principal amount of \$1 million or more.

Interest on the Series A Bonds will become due and payable on each Interest Payment Date, commencing July 15, 2014, to and including the maturity date, and on each Redemption Date. Interest on the Series A Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on each Series A Bond will be made on each Interest Payment Date for unpaid interest accrued since the last Interest Payment Date (or, in the case of July 15, 2014, the Closing Date) to the Holder of record on the applicable record date, which is the first (1st) day (whether or not a Business Day) of the month in which interest is to be so paid thereafter.

Redemption

Mandatory Redemption. The Series A Bonds are subject to mandatory redemption in whole or in part on each Interest Payment Date, beginning on August 15, 2014, at a Redemption Price equal to 100% of the principal amount of the Series A Bonds to be redeemed, without premium, in an amount equal to the principal portion of Loan Repayments and Prepayments received by or on behalf of the Corporation during the calendar month preceding such

Interest Payment Date (or, in the case of August 15, 2014, on and after the Closing Date through the last day of the calendar month preceding such Interest Payment Date), and transferred from the Principal Account of the Loan Payment Fund to the Debt Service Fund pursuant to the Resolution. For purposes of the mandatory redemption, (a) any amounts transferred from the Excess Revenue Fund or the Debt Service Reserve Fund or provided by the Corporation (either from amounts released from the Open Resolution or from other funds of the Corporation) to make up the principal amount of any Loan Repayment that is not received during the month when it is due shall be deemed to be such Loan Repayment and (b) payments made pursuant to the REMIC Insurance policy relating to the principal of a Series A Loan shall be considered Loan Repayments or Prepayments. See “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT--Loans and Revenues” herein.

Special Optional Redemption. The Series A Bonds are subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the Outstanding principal amount of the Series A Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium.

Selection of Series A Bonds to be Redeemed. If the Series A Bonds are to be redeemed in part pursuant to the mandatory redemption described above, each of the Series A Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of each such Series A Bond to the aggregate Outstanding principal amount of all Outstanding Series A Bonds. To affect this pro rata redemption while the Series A Bonds are held in the book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by the Securities Depository. If effected by DTC, this redemption procedure will cause a pro rata redemption of Series A Bonds among DTC Participants upon a redemption, but may not ensure a pro rata redemption of Series A Bonds among all Beneficial Owners thereof. See “THE SERIES A BONDS – Book-Entry-Only System” for a general description of the DTC book-entry system.

Notice of Special Optional Redemption. Notice of special optional redemption of the Series A Bonds will be given by the Trustee by Electronic Means or first class mail, postage prepaid, not more than 60 and not less than 20 days prior to the Redemption Date to the registered owner of each Series A Bond. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Receipt of such notice shall not be a condition precedent to redemption of the Series A Bonds, and any failure to mail any such notice to any registered owner or any failure so to receive any such notice by any registered owner or any defect in any such notice shall not affect the validity or the proceedings for the redemption of any Series A Bonds. Notice of special optional redemption may include conditions precedent to such redemption. If notice of redemption shall have been given as aforesaid, and if on the Redemption Date moneys for the redemption of all Series A Bonds, together with interest to the Redemption Date, shall be available for such payments, and all other conditions precedent shall have been satisfied, then from and after the Redemption Date interest on the Series A Bonds shall cease to accrue and become payable.

No notice of mandatory redemption will be given to any Bondholder or Beneficial Owner of the date or amount of the mandatory redemption of any Series A Bonds.

No Additional Bonds

No additional bonds may be issued under the Resolution.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series A Bonds. The Series A 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 Series A Bond certificate will be issued in the principal amount of the Series A Bonds, and will be deposited with DTC, or its custodial agent.

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 issues, 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. This eliminates 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, the “Participants”). The DTC Rules applicable its Participants are on file with the Securities and Exchange Commission.

Purchases of the Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series A Bond (“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 Series A 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 certificates representing their ownership interests in the Series A Bonds, except in the event that use of the book-entry system for the Series A Bonds is discontinued.

To facilitate subsequent transfers, all Series A 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 Series A 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 Series A Bonds. DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series A 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.

As described in this Official Statement in “THE SERIES A BONDS – Redemption – Selection of Series A Bonds to be Redeemed,” it is the intention that the allocations for mandatory redemption of the Series A Bonds be made by DTC on a pro rata basis in accordance with DTC’s “Pro-Rata Pass-Through Distribution of Principal” rules and procedures. If DTC’s operational arrangements do not allow for payment of the Series A Bonds on a pro-rata pass-through payment distribution of principal basis, then the Series A Bonds selected for payment will be made in accordance with DTC’s procedures then in effect.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI 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 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series A 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 DTC is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series A 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, Series A 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, Series A Bond certificates will be printed and delivered.

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 take any responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series A 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 SERIES A BONDS.

So long as Cede & Co. is the registered owner of the Series A Bonds, as nominee for DTC, references herein to Bondholders or registered owners of the Series A Bonds (other than under the heading "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series A 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 Series A 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 Series A Bonds if the Corporation determines that (i) DTC is unable to discharge its responsibilities with respect to the Series A 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, the applicable Series A Bond certificates will be delivered as described in the Resolution.

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 SERIES A 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 SERIES A BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE SERIES A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES A BONDS; OR (VI) ANY OTHER MATTER.

SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT

General

The Series A Bonds are special revenue obligations of the Corporation secured solely by a pledge of:

1. all of the Corporation's right, title and interest in and to the Series A Loans and the Loan Documents, reserving, however, the Reserved Rights;
2. all rights to receive payments on the Mortgage Notes and under the other Loan Documents, including all proceeds of insurance or condemnation awards, but excluding (i) payments to be applied to pay Servicing Fees or REMIC Insurance premiums and (ii) any late payment penalties;
3. all of the Corporation's right, title and interest in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Series A Bonds, and all Funds and Accounts under the Resolution (including, without limitation, moneys, documents, securities, Investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee);
4. all proceeds of mortgage insurance and other security related to the Series A Loans;
5. all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under the Resolution for the benefit of the Bondholders; and
6. all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above).

The foregoing items 1 through 6 are referred to herein as the "Trust Estate."

The Series A Loans will be insured under REMIC Insurance Policies which provide for payment based on a specified percentage of the unpaid principal balance of the applicable Series A Loan and interest on such Series A Loan as of the date of filing a claim for loss. See "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT -- REMIC Insurance Program."

The Series A Bonds are being issued pursuant to the Resolution and will be secured solely by and payable solely from the Trust Estate. The Series A Bonds are secured by the Debt Service Reserve Fund established under the Resolution, which is part of the Trust Estate. The Debt Service Reserve Fund Requirement for the Series A Bonds will be satisfied as described in "SOURCES AND USES OF FUNDS." Under the Resolution, the Corporation will be permitted in the future to release amounts on deposit in the Debt Service Reserve Fund without consent of the holders of the Series A Bonds upon the delivery of a Cash Equivalent, subject to the requirements of the Resolution as described in "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT – Debt Service Reserve Fund."

The Series A Bonds are special revenue obligations of the Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York. The Series A Bonds are not a debt of either the State or the City, and neither the State nor the City shall be liable

thereon, nor shall the Series A Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

Loans and Revenues

The Series A Loans are nonrecourse loans. The payments required to be made under the Mortgage Notes with respect to the Series A Loans, if timely made, are expected to be sufficient in amount to pay, when due, the principal of and interest on the Outstanding Series A Bonds, after paying servicing fees of the Corporation and mortgage insurance premiums payable to REMIC.

The Series A Loans consist of seven mortgage loans, which had an aggregate principal balance of approximately \$34,561,047.89 as of June 19, 2014 (the "Cut-off Date"). For further information about and characteristics of the Series A Loans as of the Cut-off Date (except as noted), see "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT – Characteristics of the Series A Loans" and Appendix I to this Official Statement. The Corporation will agree to provide certain information about the Series A Loans to holders of the Series A Bonds, as described in "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT – Information Available to Bondholders."

Each Series A Loan will be partially insured under a REMIC Insurance Policy which provides for payment based on a specified percentage of the unpaid principal balance of the applicable Series A Loan and interest on such Series A Loan as of the date of filing a claim for loss on a first loss basis. Each REMIC Insurance Policy provides that when a Borrower fails to pay a total aggregate amount equal to four regular monthly payments of principal and interest, and any escrow payments due under the terms of an insured Mortgage Loan, disregarding any waivers or extensions by the Corporation, and assuming only required notices have been timely submitted and other preconditions have been met, the Corporation may make a claim for REMIC Insurance benefits. The Corporation has covenanted to make a claim under the REMIC Insurance Policies for any of the Series A Loans for which the conditions for such claim have been met at such time as amounts are withdrawn from the Debt Service Reserve Fund. Prior to such time, the Corporation is not required to file a claim and may, in its sole discretion, determine whether or not and when to file a claim under a REMIC Insurance Policy.

Under the Resolution, Revenues are defined as the Loan Repayments and Prepayments derived from the Series A Loans and investment earnings on the Funds and Accounts established by the Resolution. Pursuant to the Resolution, the Trustee shall deposit (i) the interest portion of Loan Repayments and Prepayments into the Interest Account of the Loan Payment Fund and (ii) the principal portion of Loan Repayments and Prepayments into the Principal Account of the Loan Payment Fund, in each case promptly upon receipt of such payments.

If the amount on deposit in the Interest Account of the Loan Payment Fund on the third Business Day of the month, commencing in August 2014, is less than the amount of interest payable on the Series A Bonds on the upcoming Interest Payment Date, the Trustee shall make up such deficiency from the following sources in the following order of priority: first, from amounts on deposit in the Excess Revenue Fund; second, from amounts provided by the Corporation from amounts able to be released from the "Multi-Family Housing Revenue Bonds Bond Resolution" adopted by the Members of the Corporation on July 27, 1993, as amended from time to time (the "Open Resolution"); and third, from amounts on deposit in the Debt Service Reserve Fund. In addition, the Corporation may, but is not required to, deposit funds of the Corporation other than those described above to make up such deficiency.

If a Loan Repayment is not received during the month when it is due, then by the third Business Day of the following month, commencing in August 2014, the Trustee shall transfer an amount equal to the missed principal payment to the Principal Account of the Loan Payment Fund from the following sources in the following order of priority: first, from amounts on deposit in the Excess Revenue Fund; second, from amounts provided by the Corporation from amounts able to be released from the Open Resolution; and third, from amounts on deposit in the Debt Service Reserve Fund. In addition, the Corporation may, but is not required to, deposit funds of the Corporation other than those described above to make up a missed Loan Repayment.

The Resolution provides that by the third Business Day of each month, commencing in August 2014, following the transfers described in the preceding two paragraphs, the Trustee shall transfer to the Debt Service

Fund (i) amounts on deposit in the Interest Account of the Loan Payment Fund to be used to the payment of interest on the Series A Bonds on the upcoming Interest Payment Date and (ii) amounts on deposit in the Principal Account of the Loan Payment Fund (rounded down to the nearest \$1.00) to be applied to the payment of principal of the Series A Bonds on the upcoming Interest Payment Date upon the mandatory redemption thereof as described in “THE SERIES A BONDS – Redemption – Mandatory Redemption.” On the Closing Date, the Corporation will deposit other available monies into the Debt Service Fund in an amount sufficient to pay interest on the Series A Bonds on July 15, 2014.

Following the transfers described in the preceding paragraph, all amounts remaining in the Interest Account of the Loan Payment Fund and all earnings on investments of amounts on deposit in the Principal Account of the Loan Payment Fund shall be applied by the Trustee to replenish amounts in the Debt Service Reserve Fund necessary to satisfy the Debt Service Reserve Fund Requirement for the Series A Bonds and any remaining amounts shall be transferred to the Excess Revenue Fund. The Corporation may withdraw any amounts on deposit in the Excess Revenue Fund in excess of one month’s scheduled interest and principal payments due on all Series A Loans free and clear of the lien of the Resolution and transfer such amounts for deposit to the revenue account held under the Open Resolution on each April 15 and October 15 following the payment of interest on and principal of the Series A Bonds on such dates. See “APPENDIX II –Form of Resolution.”

The Corporation has covenanted in the Resolution that it will take all steps necessary to release excess revenues, if any, from the lien of the Open Resolution in order to make the transfers described in the third and fourth preceding paragraphs. For a description of the process for, and conditions to, releasing revenues from the lien of the Open Resolution, see “Security for the Bonds – Cash Flow Statements and Cash Flow Certificates” in Part II of the Official Statement dated April 24, 2014 with respect to the Corporation’s Multi-Family Housing Revenue Bonds, 2014 Series A, Multi-Family Housing Revenue Bonds, 2014 Series B-1, Multi-Family Housing Revenue Bonds, 2014 Series B-2, Multi-Family Housing Revenue Bonds, 2013 Series F-1 and Multi-Family Housing Revenue Bonds, 2013 Series F-2 (the “Open Resolution Official Statement”), which section (and related definitions of defined terms used therein) is incorporated herein by reference. The Corporation has withdrawn approximately \$40 million of revenues from the Open Resolution in each of the preceding five years; however, there can be no assurance that the Corporation will continue to meet the conditions necessary to withdraw any amounts from the Open Resolution. Failure of the Corporation to meet the conditions for the release of revenues from the lien of the Open Resolution will not be an Event of Default under the Resolution. Copies of official statements relating to bonds issued under the Open Resolution are available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system and the Corporation’s website.

The Corporation will pay the Trustee’s fees with other available funds and the Trustee will not have a lien on funds held under the Resolution to secure payment for its services. See “APPENDIX II –Form of Resolution.”

REMIC Insurance Program

Each of the Series A Loans is partially insured by REMIC Insurance which provides for payment based on a specified percentage of the unpaid principal balance of the applicable Series A Loan and interest on such Series A Loan as of the date of filing a claim for loss on a first loss basis. The specified percentage of the Series A Loans insured by REMIC is 25% for the Triangle Court I Development and 20% for each of the other Developments.

General

REMIC was created in January 1993 as a public benefit corporation of the State under Section 654-d of the New York Private Housing Finance Law (the “REMIC Act”). The REMIC Act also established REMIC as a subsidiary of the Corporation. REMIC is the successor to the New York City Rehabilitation Mortgage Insurance Corporation (“Old REMIC”) which was in operation from 1973 until January 1993 when REMIC assumed all of Old REMIC’s obligations, including its contracts of insurance and commitments to insure mortgages.

REMIC consists of nine members, seven of whom are the members of the Corporation plus two additional members who are appointed by the Mayor of the City. The Chairperson of the Corporation is also the Chairperson of REMIC. The powers of REMIC are vested in and exercised by no less than five members. REMIC may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper. The

officers and staff of REMIC are all employees of the Corporation. The REMIC Act prohibits REMIC from issuing a commitment to insure a mortgage loan made by the Corporation unless such commitment is approved by at least two members of a three member committee composed of the Chairperson and the two members of REMIC who are not members of the Corporation.

Purposes and Powers

REMIC's purpose is to insure mortgage loans in order to promote the preservation of neighborhoods in New York City which are blighted, are becoming blighted or may become blighted; to discourage disinvestment and encourage investment of mortgage capital in such neighborhoods; and to provide safe, sanitary and affordable housing accommodations to persons and families for which the ordinary operations of private enterprise cannot supply such accommodations. In furtherance of its corporate purpose, REMIC is authorized to enter into commitments to insure mortgages and contracts of insurance, and fulfill its obligations and enforce its rights under any insurance so furnished, including any contracts of insurance of Old REMIC.

REMIC is empowered to insure permanent first mortgage loans made by financial institutions for multi-family housing accommodations, one to four family homes, and emergency, transitional or shelter housing ("Shelter Housing") located in the City of New York. This includes multi-family rental and cooperative buildings, owner-occupied one to four family homes, cooperative units, condominium units, Shelter Housing and mixed-use buildings, provided that, with respect to mixed-use buildings containing more than six dwelling units and Shelter Housing, the above-ground commercial space must comprise less than 25% of the total above-ground square footage of the insured property. REMIC insurance coverage (the "Coverage Percentage") is limited by property type and loan type. Lenders can obtain up to 50% coverage on preservation loans (i.e., refinancing and/or acquisition loans), up to 75% on rehabilitation loans (i.e., permanent loans which replace construction or rehabilitation financing) and up to 100% on preservation or rehabilitation loans made by a public employee pension system or another public benefit corporation, including the Corporation, when such loan is funded with the proceeds of a bond issue.

REMIC Funds

The REMIC Act establishes a housing insurance fund (the "HIF"), a mortgage insurance fund (the "REMIC MIF") and a REMIC premium reserve fund ("PRF"). REMIC is required to maintain the HIF to serve as a revolving fund for carrying out the provisions of the REMIC Act with respect to housing insurance contracts entered into by REMIC. The HIF requirement, as of any particular date of computation, is equal to an amount of money or cash equivalents equal to the aggregate of (a) the insured amounts of loans due and payable as of such date pursuant to its housing insurance contracts, plus (b) an amount equal to 20% of the insured amounts under REMIC's housing insurance contracts (other than insured amounts due and payable pursuant to clause (a) above) plus 20% of the amounts to be insured under REMIC's commitments to insure. Increases to the HIF are funded solely from monies from the PRF. The term "cash equivalent" for the purposes of this paragraph means a letter of credit, insurance policy, surety, guarantee, indemnity or other security arrangement.

The REMIC Act provides that no monies shall be withdrawn from the HIF at any time in such amount as would reduce the amount in the HIF to less than the HIF requirement, except for the purpose of paying liabilities arising from housing insurance contracts as they come due and for the payment of which other monies are not available.

As of January 31, 2014, the HIF's total liability against commitments and against housing insurance contracts in force was approximately \$250 million. As of January 31, 2014, the HIF had a total loan amount on outstanding commitments and housing insurance contracts in force of approximately \$1,087 million on 259 properties. As of January 31, 2014, the HIF was funded in cash or marketable securities in an amount at least equal to the HIF requirement.

REMIC is also required to maintain the REMIC MIF which serves as a revolving fund for carrying out the provisions of Old REMIC's commitments to insure and insurance contracts which are known as "mortgage insurance contracts" rather than "housing insurance contracts." The REMIC MIF requirement, as of any particular date of computation, is equal to an amount of money equal to the aggregate of (a) the insured amounts of loans due and payable as of such date pursuant to its mortgage insurance contracts plus (b) an amount equal to the greater of

\$7,500,000 or 20% of the insured amounts under REMIC's mortgage insurance contracts (other than insured amounts due and payable pursuant to clause (a) above) plus 20% of the amounts to be insured under Old REMIC's commitments to insure; provided, however, the REMIC MIF requirement will be decreased to an amount equal to the aggregate of (x) the amounts due and payable or insured under mortgage insurance contracts and (y) the amounts to be insured under Old REMIC commitments, when the total of such amounts is less than \$7,500,000. Increases to the REMIC MIF are funded solely from monies from the PRF.

The REMIC Act provides that no monies shall be withdrawn from the REMIC MIF at any time in such amount as would reduce the amount in the REMIC MIF to less than the REMIC MIF requirement, except for the purpose of paying liabilities arising from mortgage insurance contracts as they become due and for the payment of which other monies are not available.

As of January 31, 2014, the REMIC MIF's total liability against mortgage insurance contracts in force was \$60,882. As of January 31, 2014, the REMIC MIF had a total loan amount on outstanding commitments and mortgage insurance contracts in force of \$164,043 on two (2) properties. As of January 31, 2014, the REMIC MIF was funded in an amount at least equal to the REMIC MIF requirement.

REMIC also maintains the PRF to provide for payment of REMIC's liabilities arising from its operations, its housing insurance contracts and its mortgage insurance contracts. All monies deposited in the PRF, whether from earned premiums, investment income or other sources, represent the excess over the REMIC MIF and HIF requirements. If the amounts in the HIF and the REMIC MIF are below their respective requirements, amounts in the PRF are available to restore these funds to their requirements. As of January 31, 2014, the PRF totaled approximately \$34 million.

Claims for Loss

As of January 31, 2014, Old REMIC and the REMIC MIF had paid a total of twelve (12) claims for loss on insurance policies under its mortgage insurance coverage in the aggregate amount of \$598,291. As of January 31, 2014, the HIF had neither paid claims for loss nor had any policies in force on which claims for loss had been submitted.

The claims-paying ability of the HIF is rated "AA" by S&P. The REMIC MIF and the PRF are not rated by any recognized rating agency. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that this rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant.

The payment of principal and interest on the Series A Bonds is not secured by or payable from monies held in the HIF, the REMIC MIF or the PRF, and REMIC is not liable on the Series A Bonds. The REMIC Act provides that all amounts in the HIF, with certain exceptions, shall be used solely for the payment of its liabilities arising from housing insurance contracts. Only monies in the HIF and the PRF will be available to REMIC for payment of REMIC's liabilities under the REMIC Insurance. There are no other dedicated sources of revenue to pay for the insurance obligations of REMIC. There can be no assurance that the amounts on deposit in the HIF and PRF will not be depleted through payment of liabilities arising with respect to insured mortgage loans other than REMIC-insured Mortgage Loans.

The audited financial statements of REMIC for the fiscal year ended October 31, 2013 are included in the audited financial statements of the Corporation for the fiscal year ended October 31, 2013 which are incorporated by reference in this Official Statement. Copies of the Annual Report of the Corporation, which includes information on REMIC, are available from REMIC at 110 William Street, New York, New York 10038, telephone: (212) 227-5500, or through its internet address: www.nychdc.com/subsidiaries/REMIC.html.

Benefits for the Mortgage Loans secured or expected to be secured by REMIC Insurance under HIF

The REMIC Master Policy of Insurance (the “REMIC Policy”), which covers a specified percentage of the original Mortgage Loan amount for each insured Mortgage Loan on a first loss basis, requires each insured lender benefitting from REMIC Insurance (an “Insured”) to notify REMIC within forty-five (45) days after a payment default by a mortgagor on an insured Mortgage Loan and to provide various additional notices during the period of default. When a mortgagor fails to pay a total aggregate amount equal to four regular monthly payments of principal and interest, and any escrow payments due under the terms of an insured Mortgage Loan, disregarding any waivers or extensions by the Insured (termed “Four Months in Default” under the REMIC Policy), and assuming such notices have been timely submitted and other preconditions have been met, the Insured may make a claim for REMIC Insurance benefits.

Upon receipt of a notice of default under an insured Mortgage Loan, REMIC has the right to purchase the Mortgage Loan from the Insured for a price equal to the unpaid principal balance thereof and all “Allowed Costs” (which may include delinquent interest, taxes, attorney fees and reasonable expenditures for the operation and maintenance of the property between the initial default date and date of the claim for loss) not previously reimbursed by REMIC. Thereafter, REMIC is to receive an assignment of the Mortgage Loan and all reserves held for the credit of the related Development. The Insured may also request, if the Mortgage Loan is Four Months in Default, that REMIC enter into (i) a periodic payment plan lasting no more than two years during which time the Insured is to receive from REMIC on a quarterly basis the amounts due on the Mortgage Loan net of the operating income from the Development assigned by the mortgagor to the Insured, or (ii) where there is no reasonable expectation that there will be a cure of the Mortgage Loan default, a lump sum payment agreement requiring payment by REMIC to the Insured of an amount equal to the average of two quoted market valuations of the property plus the Coverage Percentage of Allowed Costs. At the end of the two year periodic payment plan period, any additional insurance benefits due to the Insured are to be paid by REMIC. In the case of both a periodic payment plan and a lump sum payment plan, total insurance benefits paid may not exceed the lesser of (x) the Coverage Percentage of the full Claim for Loss (defined below), or (y) the Coverage Percentage of the Mortgage Loan principal amount as initially insured.

Unless the related Mortgage Loan is purchased by REMIC, or a periodic payment plan or lump sum payment plan has been executed, as described above, the Insured is required by the REMIC Policy to commence proceedings to obtain title to the Development when the insured Mortgage Loan becomes Four Months in Default (although the Insured is free to commence such proceedings upon any default). However, upon consent of REMIC or satisfaction of certain other conditions, actions, including foreclosure proceedings, may be undertaken in which title to the property will pass to a third party. See “APPENDIX IV – DESCRIPTION OF NEW YORK FORECLOSURE PROCEEDINGS AND BANKRUPTCY.”

In the event that the Insured obtains title to the Development, the Insured may present a claim under the REMIC Insurance and REMIC, at its option, will pay insurance benefits in either of the following amounts:

(a) the full “Claim for Loss,” consisting of the Mortgage Loan principal balance as of the date of default and Allowed Costs but net of reserves held for the Development and net of any portion of the claim attributable to Insured fault or previously reimbursed to the Insured, in which case title to the Development is to be transferred to REMIC, or

(b) a percentage of the full Claim for Loss equal to the Coverage Percentage thereof, but not in excess of the Coverage Percentage of the Mortgage Loan principal amount as initially insured, in which case the Insured is to retain title to the Development.

If proceedings are undertaken in which title to the property passes to a third party, the Insured may claim under the REMIC Insurance for payment of the full Claim for Loss, net of the amounts realized by the Insured from such proceedings, but never in excess of the Coverage Percentage of the Mortgage Loan principal amount as initially insured.

For specific information on the coverage provided by REMIC Insurance, reference should be made to the applicable REMIC commitment and the Master Policy issued by REMIC, which are available at the offices of the Corporation.

The REMIC Insurance may terminate pursuant to its terms upon the occurrence of certain events including, without limitation, the nonpayment of renewal premium, the material modification of the Mortgage without the prior written approval of REMIC, and the disposal of property or collateral securing the Mortgage Loan prior to the final settlement of a claim for loss.

With respect to the Mortgage Loans insured or expected to be insured by REMIC, amounts in the HIF are available, and amounts in the REMIC MIF and the PRF are not available, to pay any liability incurred by REMIC with respect to such Mortgage Loans.

REMIC makes no representation as to the contents of this Official Statement (other than this section), the suitability of the Bonds for any investor, the feasibility of the Developments, or compliance with any securities or tax laws and regulations which may relate to the issuance and sale of the Bonds.

REMIC's role is limited to providing the coverage set forth in the REMIC Insurance.

Characteristics of the Series A Loans

Composition

The Series A Loans will consist of seven mortgage loans, which had an aggregate principal balance of approximately \$34,561,047.89 as of the Cut-off Date. See "APPENDIX I – Certain Information Regarding the Series A Loans" for further information regarding characteristics of the Series A Loans as of the Cut-off Date (except as noted).

Mortgage Rates; Calculation of Interest

The Series A Loans bear interest at fixed mortgage rates calculated on the basis of a 360-day year consisting of twelve 30-day months. The Corporation and REMIC may consent to a change in the mortgage rate for a Series A Loan provided that such rate shall not be reduced below the sum of (x) the interest rate on the Series A Bonds, plus (y) the Servicing Fees and REMIC Insurance premium applicable to such Series A Loan.

Due Dates

Monthly payments on the Series A Loans are due on the first day of each month, provided, however, the mortgages provide a 15-day grace period.

Amortization; Level Payments

The Series A Loans for the 137-02 Northern Blvd. Development, the 140-26 Franklin Ave. Development, the 32-08 Union St. Development and the Frederick Douglass Blvd. (Triangle Court I) Development are fully amortized in level monthly payments over their remaining terms to stated maturity at which time the unpaid principal balance plus accrued interest thereon is due. The Series A Loans for the 9501 Rockaway Beach Blvd. Development, the 138 East 112th St. Development and the 1514 Sedgwick Ave. Development are partially amortized in level monthly payments over their remaining terms to stated maturity at which time a balloon payment and any unpaid principal balance plus accrued interest thereon is due. All of the Series A Loans have begun to amortize as of the Cut-off Date. A partial prepayment of a Series A Loan may result in a restructuring of the amortization schedule of such Series A Loan. The Corporation and REMIC may also consent to a change in the amortization schedule for a Series A Loan provided that the final maturity date for such Series A Loan shall not be extended. Even in the absence of a change in the amortization schedule of the Series A Loans, Series A Loans that provide for level monthly payments may still produce non-level payments as a result of the fact that, at any time,

condemnation of or the occurrence of a casualty loss on, the mortgaged property securing any Series A Loan or acceleration of payments due under the Series A Loan by reason of a default may result in a prepayment.

Loan Debt Service Coverage; Prepayments; Summary

The following table sets forth certain loan characteristics and debt service coverage ratio of the Series A Loans as of the Cut-off Date (except as noted). All of the Borrowers have made all payments of debt service on the Series A Loans due on or before the Cut-off Date. Based on data from the 2012 or 2013 annual financial statements of the respective Developments, as indicated in the table below, each of the Series A Loans has the debt service coverage ratio set forth in the table. The debt service coverage ratios are calculated based on the ratio of annual net operating income of the Development to the total current annual debt service (excluding any balloon payment but including annual REMIC Insurance premiums and Servicing Fees due). In calculating the annual net operating income, the information for each Development was taken by the Corporation from the 2012 or 2013 annual financial statement (using the 2012 or 2013 data, as applicable) for each Development. The Corporation has not taken any action to independently verify the accuracy of such information. There can be no assurances that the ratios set forth herein will continue. The annual financial statement for each Development (or for certain Developments, consolidated financial statements that include information about such Developments) for the year indicated will be available on the Corporation's website at www.nychdc.com/investors/currentBondSaleInformation not later than June 16, 2014 and when so available, are herein incorporated by specific reference. As of June 23, 2014, such financial statements will be posted on the Electronic Municipal Market Access website, <http://emma.msrb.org/Home>.

The Series A Loans are subject to prepayment on and after the applicable Prepayment Lockout Expiration Date, as listed in the table below and as set forth in "APPENDIX I – Certain Information Regarding the Series A Loans", without the prior consent of the Corporation. Generally, Borrowers may prepay the outstanding Series A Loans at any time and the source of financings for such prepayment could be from a third party lender or from the Corporation, provided that until the Prepayment Lockout Expiration Date, such prepayment may only be made with the prior consent of the Corporation.

The following table presents a summary of certain characteristics of the Series A Loans. See also "APPENDIX I – Certain Information Regarding the Series A Loans" for additional details.

[Table appears on the next page]

Summary of the Series A Loans as of the Cut-off Date

Development ^{1,2,3,4}	Number of Units/Occupancy Rate ⁵	Balance as of the Cut-off Date	Permanent Loan Closing Date	Amortization Start Date	Maturity Date	Prepayment Lockout Expiration Date ⁶	Gross Interest Rate	Debt Service Coverage Ratio ^{7,8}
137-02 Northern Blvd.	71/100%	\$5,840,372	01/24/2001	03/01/2001	03/01/2031	04/01/2016	8.00%	1.61x
140-26 Franklin Ave.	54/94%	4,239,587	04/4/2001	06/01/2001	06/01/2031	07/01/2016	8.00	1.16
32-08 Union St.	25/96%	2,203,143	06/28/2000	07/01/2000	07/01/2030	08/01/2015	8.00	1.38
Frederick Douglass Blvd. (Triangle Court I)	49/96%	2,753,165	11/28/2000	12/01/2000	12/01/2030	01/01/2016	7.58	3.14
9501 Rockaway Beach Blvd.	72/97%	4,806,944	01/19/2006	02/01/2006	08/01/2035	03/01/2016	7.00	1.86
138 East 112th St.	43/95%	5,513,512	03/24/2006	04/01/2006	11/01/2035	05/01/2016	6.75	1.30
1514 Sedgwick Ave.	96/96%	9,204,325	02/28/2007	03/01/2007	05/01/2036	04/01/2017	6.75	1.20
Total	410 (units)	\$34,561,048	-	-	-	-	-	-
Weighted Average	96% (occupancy)	-	-	-	-	-	7.30%	1.54x

1) The Developments received subordinate low interest rate loans ("Subordinate Loans") from the Corporation pursuant to the New Housing Opportunities Program ("New HOP"). For more information about the Subordinate Loans, please refer to Appendix I.

2) The Developments are partially insured by the New York City Residential Mortgage Insurance Corporation ("REMIC").

3) The REMIC Insurance premium is 0.50% per annum for each Development.

4) The Servicing Fee is 0.20% per annum for 138 East 112th St. and 1514 Sedgwick Ave., and the Servicing Fee is 0.15% per annum for the remaining Developments.

5) Occupancy rates as of January 31, 2014.

6) The Series A Loans may be voluntarily prepaid prior to this date with the consent of the Corporation.

7) The Debt Service Coverage Ratio ("DSCR") for 140-26 Franklin Ave. includes the debt service for a \$261,000 co-senior loan. The DSCRs are calculated based on the current debt service for the Series A Loans and do not reflect debt service on the Subordinate Loans. See APPENDIX I – Certain Information About the Series A Loans.

8) 140-26 Franklin Ave. and Frederick Douglass Blvd. (Triangle Court I) DSCRs are based on 2013 annual financial statements, and the remaining Developments are based on 2012 annual financial statements.

REMIC Insurance

Each of the Series A Loans is partially insured by REMIC Insurance which provides for payment based on a specified percentage of the unpaid principal balance of the applicable Series A Loan and interest on such Series A Loan as of the date of filing a claim for loss on a first loss basis. See "REMIC Insurance Program." The specified percentage of the Series A Loans insured by REMIC is 25% for the Triangle Court I Development and 20% for each of the other Developments.

New Housing Opportunities Program

Each of the Developments received a subordinate loan from the Corporation under its New Housing Opportunities Program ("New HOP"). The Corporation established New HOP in 1997 to finance the construction or substantial rehabilitation of affordable low, moderate and middle income housing in New York City which would not otherwise be produced by the ordinary operations of private enterprise. New HOP projects are financed with a first mortgage loan funded from variable or fixed-rate bonds proceeds and a second subordinate mortgage loan funded from the Corporation's reserves. Each Development financed under New HOP is subject to a regulatory agreement restricting the rents to levels affordable to low, moderate and middle income households.

The subordinate New HOP loan for each Development bears interest at 1% per annum, with fixed minimum payments of at least interest only but some of the subordinate New HOP loans provide for amortization, depending on underwriting criteria established by the Corporation. In addition to a New HOP loan, there is an additional subordinate loan for Frederick Douglass Blvd. (Triangle Court I) that bears interest at 8% per annum. Prepayments of the Series A Loans are not permitted until the subordinate loan for the related Development has been paid in full. The subordinate loans are prepayable at any time. A default under a subordinate loan for a Development is generally a default under the Series A Loan for that Development.

Provisions Relating to Sale of Mortgaged Property

The Series A Loans contain provisions restricting the sale or transfer of the related mortgaged property without the Corporation's consent and providing that the Corporation may accelerate the Series A Loan upon a sale or transfer contrary to such restriction. Each Series A Loan may be assumed, with the Corporation's consent, upon the sale of the related mortgaged property.

First Lien

The Series A Loans consist of first lien, multi-family, fixed rate mortgage loans that are secured by a lien on the respective Borrower's fee simple estate or leasehold interest in a multi-family property. See "New Housing Opportunities Program" for a description of subordinate loans for each of the Developments held by the Corporation.

Borrowers of the Series A Loans

Each of the Borrowers is a single-purpose entity formed for the purpose of acquiring, constructing or rehabilitating and operating the applicable project. As such, the Borrowers do not engage in any other business operations, have no other earnings and have no assets other than its interest in the applicable project. Accordingly, it is expected that each Borrower will not have any sources of funds other than revenues generated by the applicable project to make payments of its Mortgage Loan and the payment of any Prepayment, if applicable.

Location of Series A Mortgage Properties

The following map identifies the locations of the mortgaged properties funded with Series A Loans within the City:

[Map appears on the next page]



Weighted Average Life of Series A Bonds

Yield, Maturity and Prepayment Considerations

The Prepayments of the Series A Loans will affect the weighted average life of and the yields realized by holders of the Series A Bonds.

- The principal portion of the Loan Repayment for any Series A Loan may be in the form of scheduled or unscheduled amortization. The Series A Loans have level maturity payments of principal and interest until the maturity date in amounts set forth in “APPENDIX I – Certain Information Regarding the Series A Loans.”

- The terms of each Series A Loan provide that the Series A Loan may be voluntarily prepaid in whole or in part only with the prior consent of the Corporation, prior to the applicable Prepayment Lockout Expiration Date, as set forth in “APPENDIX I – Certain Information Regarding the Series A Loans”, and thereafter without consent. All of the Developments have subordinate loans pursuant to the Corporation’s New HOP program and, as set forth in APPENDIX I, the Series A Loans provide that they cannot be prepaid unless and until such subordinate loan is paid.
- The condemnation of, or occurrence of a casualty loss on, the mortgaged property securing any Series A Loan or the acceleration of payments due under the Series A Loan by reason of default may also result in a prepayment at any time.

Series A Loan prepayment rates are likely to fluctuate over time. No representation is made as to the expected weighted average life of the Series A Bonds or the percentage of the original unpaid principal balance of the Series A Loans that will be paid to Bondholders at any particular time. A number of factors may influence the prepayment rate.

- While some prepayments occur randomly, the payment behavior of the Series A Loans may be influenced by a variety of economic, tax, geographic, demographic, legal and other factors.
- These factors may include the age, geographic distribution and payment terms of the Series A Loans; remaining depreciable lives of the underlying properties; characteristics of the borrowers; amount of the borrowers’ equity; the availability of mortgage financing; a fluctuating interest rate environment, the difference between the interest rates on the Series A Loans and prevailing mortgage interest rates; the extent to which the Series A Loans are assumed or refinanced or the underlying properties are sold or conveyed; changes in local industry and population as they affect vacancy rates; population migration; and the attractiveness of other investment alternatives.
- These factors may also include the application of prepayment consent rights. For a more detailed description of the prepayment provisions of the Series A Loans, see “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT – Characteristics of the Series A Loans -- Loan Debt Service Coverage; Prepayments; Summary”.

No representation is made by the Corporation or the Underwriter or their respective counsel concerning the particular effect that any of these or other factors may have on the prepayment behavior of the Series A Loans. The relative contribution of these or other factors may vary over time.

Forward-Looking Average Life Calculations

The following information has been provided by the Underwriter and no representation is made by the Corporation or the Underwriter or their respective counsel concerning the actual average life of the Series A Bonds or the Series A Loans and how it compares to the forward-looking average life estimated herein.

The “Weighted Average Life” of a bond refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal of that bond will be repaid to the investor. As a result, any projection of the Weighted Average Life of and yield on the Series A Bonds must include an assumption about the anticipated timing and amount of payments on those Series A Bonds, which will depend upon the rate of prepayments of the Series A Loans, including optional borrower prepayments and prepayments resulting from liquidation of defaulted Series A Loans. In general, prepayments of principal and defaults on the Series A Loans will shorten the Weighted Average Life and term to maturity of the Series A Bonds.

The Weighted Average Life of the Series A Bonds is calculated as described under “Weighted Average Life” below.

The Weighted Average Life of the Series A Bonds will be influenced by, among other things, the rate at which principal is paid on the Series A Loans. In general, the Weighted Average Life of the Series A Bonds will be

shortened if the rate of prepayments of principal of the Series A Loans increases. However, the Weighted Average Life will depend upon a variety of other factors, including the timing of changes in such rate of principal prepayments. Accordingly, no assurance can be given as to the Weighted Average Life of the Series A Bonds.

Prepayment Assumption Models

No representation is made about the anticipated rate of prepayments or foreclosures on the Series A Loans or about the anticipated yield to maturity of the Series A Bonds. Prospective purchasers of the Series A Bonds are urged to base their decisions whether to purchase the Series A Bonds upon a comparison of desired yield to maturity with the yield to maturity that would result based on the price that the purchaser pays for the Series A Bonds and upon the purchaser's own determinations about anticipated rates of prepayments with respect to the Series A Loans.

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used herein is the constant prepayment rate ("CPR") model. CPR represents a constant rate of prepayment on the Series A Loans each month relative to the then outstanding aggregate principal balance of the Series A Loans for the life of such Series A Loans.

In addition, following any Series A Loan default, the principal balance of the Series A Loan may be paid from the proceeds received under the REMIC Insurance Program or from proceeds of a foreclosure proceeding.

- As a result, defaults experienced on the Series A Loans will accelerate the payment of principal of the Series A Bonds.
- The Series A Bonds are subject to special optional redemption as described herein under "THE SERIES A BONDS – Redemption - Special Optional Redemption".

The maturity date for the Series A Bonds, which is set forth on the front cover of this Official Statement, is the latest date on which the principal balance will be reduced to zero. The actual retirement of Series A Bonds may occur earlier than its maturity date. See "THE SERIES A BONDS - Redemption."

Modeling Assumptions

Unless otherwise indicated, the table that follows has been prepared on the basis of the characteristics of the Series A Loans as described herein under "Characteristics of the Series A Loans" and the following assumptions (the "Modeling Assumptions"), among others:

1. The Series A Loans have the characteristics described in "APPENDIX I - Certain Information Regarding the Series A Loans."
2. There are no prepayments prior to the applicable Prepayment Lockout Expiration Date, as set forth in "APPENDIX I – Certain Information Regarding the Series A Loans". All the Series A Loans have level monthly payments of principal and interest until the maturity date in an amount as set forth in "APPENDIX I – Certain Information Regarding the Series A Loans".
3. The Series A Loans begin to prepay after the applicable Prepayment Lockout Expiration Date, as set forth in "APPENDIX I – Certain Information Regarding the Series A Loans" at the constant percentages of CPR (described above) shown in the table.
4. The amortization start date of each Series A Loan is as indicated in "APPENDIX I – Certain Information Regarding the Series A Loans".
5. Loan Repayments and Prepayments with respect to the Series A Loans are always received on the first day of the month, whether or not a Business Day, commencing in July 2014. No penalty amounts are received with respect to Prepayments.

6. The special optional redemption occurs on the first day on which the Corporation may exercise such option as described herein under “THE SERIES A BONDS – Redemption – Special Optional Redemption”.
7. Mandatory redemption of the Series A Bonds occur on the 15th day of the month, whether or not a Business Day, commencing in August 2014.
8. The Closing Date for the Series A Bonds is June 26, 2014.
9. There are no earnings on the investment of monies in any fund or account held under the Resolution.

When reading the table and the related text, prospective purchasers of the Series A Bonds should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience. For example, many payment dates will occur on the first Business Day after the first day of the month and Series A Bonds are subject to Special Optional Redemption as described under “THE SERIES A BONDS - Redemption.”

Weighted Average Life Based on CPR Prepayment Assumption Rates

The table below indicates the Weighted Average Life of the Series A Bonds, based on the Modeling Assumptions, including the assumption that the Series A Loans prepay at the respective indicated percentages of CPR (the “CPR Prepayment Assumption Rates”).

It is unlikely that the Series A Loans will prepay at any of the CPR Prepayment Assumption Rates, and the timing of changes in the rate of prepayments actually experienced on the Series A Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates.

The Weighted Average Life of the Series A Bonds is calculated based on the Modeling Assumptions by:

- (a) multiplying the net reduction, if any, of the principal balance from one Interest Payment Date to the next Interest Payment Date by the number of years from the date of issuance thereof to the related Interest Payment Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance referred to in clause (a).

The Weighted Average Life is likely to vary, perhaps significantly, from that set forth in the table below due to the differences between the actual rate of prepayments on the Series A Loans and the CPR Prepayment Assumption Rates.

[Table appears on the next page]

**Table of Projected Weighted Average Lives
of the Series A Bonds**

CPR	
CPR Prepayment Assumption Rates	Weighted Average
<u>Percentage</u>	<u>Life (in years)</u>
0%	12.2
5	9.3
10	7.4
15	6.1
20	5.3
25	4.7
30	4.2
35	3.9
40	3.6
45	3.4
50	3.2

The decrement table set forth on the following page is based on the assumption that the Series A Loans prepay at the CPR Prepayment Assumption Rates. It is unlikely that the Series A Loans will prepay at any of the CPR Prepayment Assumption Rates, and the timing of changes in the rate of prepayments actually experienced on the Series A Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates.

[Table appears on the next page]

Percentages of Series A Bond Balances and Weighted Average Lives

CPR Prepayment Assumption Rates

<u>Distribution Date</u>	Series A										
	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>	<u>40%</u>	<u>45%</u>	<u>50%</u>
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100
June 2015.....	98	98	98	98	98	98	98	98	98	98	98
June 2016.....	95	94	94	93	92	91	90	89	88	87	86
June 2017.....	92	88	84	80	76	72	68	64	60	56	52
June 2018.....	89	81	73	66	59	52	46	40	35	30	25
June 2019.....	86	74	63	54	45	38	31	25	20	16	12
June 2020.....	83	68	55	44	35	27	21	16	12	0	0
June 2021.....	79	61	47	36	27	19	14	0	0	0	0
June 2022.....	75	55	40	29	20	14	0	0	0	0	0
June 2023.....	70	49	34	23	15	0	0	0	0	0	0
June 2024.....	66	44	29	18	11	0	0	0	0	0	0
June 2025.....	61	38	24	14	0	0	0	0	0	0	0
June 2026.....	55	33	20	11	0	0	0	0	0	0	0
June 2027.....	49	28	16	0	0	0	0	0	0	0	0
June 2028.....	43	23	12	0	0	0	0	0	0	0	0
June 2029.....	36	19	0	0	0	0	0	0	0	0	0
June 2030.....	29	14	0	0	0	0	0	0	0	0	0
June 2031.....	22	10	0	0	0	0	0	0	0	0	0
June 2032.....	19	0	0	0	0	0	0	0	0	0	0
June 2033.....	15	0	0	0	0	0	0	0	0	0	0
June 2034.....	11	0	0	0	0	0	0	0	0	0	0
June 2035 and thereafter.....	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years).....	12.2	9.3	7.4	6.1	5.3	4.7	4.2	3.9	3.6	3.4	3.2

Information Available to Bondholders

Pursuant to the Disclosure Agreement (defined herein), the Corporation is agreeing to provide the following information about each of the Series A Loans on a monthly basis by filing a report with the MSRB's Electronic Municipal Market Access System ("EMMA") not later than the 15th day of each month commencing in August 2014:

- the current payment number,

- the loan status (on watch list, number of days or months late if a payment for the preceding month has not been made by the second business day preceding the date the report is filed on EMMA, bankruptcy),
- the loan balance remaining as of the close of business on the last day of the prior month, and
- the principal and interest scheduled to be paid during the prior month (and the amount remaining unpaid, if not paid by the second business day preceding the date the report is filed on EMMA).

The Corporation shall also file with EMMA on a monthly basis the reports received by the Corporation from the Trustee pursuant to Section 5.10 of the Resolution with respect to the flow of Revenues and amounts deposited into or withdrawn from the Funds and Accounts held under the Resolution upon receipt of such reports. See “APPENDIX II- Form of the Resolution.”

The Corporation shall also file with EMMA on an annual basis the audited annual financial statements for each Development financed by a Series A Loan (or for certain Developments, audited annual consolidated financial statements that include information about such Developments) upon receipt of such statements from the respective Borrower (expected within 120 days of the end of the fiscal year for such Development) or, if a Borrower has failed to provide such audited annual financial statements, a statement to that effect. The Borrower’s financial statements shall be prepared in conformity with accounting principles generally accepted in the United States and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States. If the Borrower fails to timely provide audited annual financial statements but provides unaudited annual financial statements, then the Corporation shall file the unaudited annual financial statements with EMMA and shall file the audited annual financial statements when the Corporation receives those from the Borrower. Each Mortgage contains a provision requiring that the Borrowers provide such audited annual financial statements to the Corporation and the Corporation will use its best efforts to obtain such audited annual financial statements. However, the Corporation is under no obligation to file such audited annual financial statements if the Borrower does not submit such audited annual financial statements to the Corporation and the Corporation has no obligation to examine or review such audited annual financial statements to verify the accuracy or completeness of such audited annual financial statements.

Debt Service Reserve Fund

The Resolution requires a deposit to the Debt Service Reserve Fund. The amount required to be funded by the Resolution is equal to 3% of the outstanding principal amount of the Series A Bonds. The aggregate amount necessary to satisfy the Debt Service Reserve Fund Requirement will be satisfied by a deposit on the date of issuance of the Series A Bonds with funds provided by the Corporation. *However, some or all of the amount on deposit in the Debt Service Reserve Fund may be released in the future, including as described in the following paragraph.*

At any time while the Series A Bonds are outstanding, the Corporation may provide to the Trustee one or more Cash Equivalents for deposit in the Debt Service Reserve Fund so long as such Cash Equivalents, as of the date of deposit, shall have no adverse effect on the ratings assigned to the Series A Bonds. In the event any such Cash Equivalents are so provided (other than in connection with the initial issuance of the Series A Bonds or to replenish the Debt Service Reserve Fund) in replacement of funds on deposit in the Debt Service Reserve Fund, the Trustee shall make such deposit and transfer funds in an equivalent amount from the Debt Service Reserve Fund to the Corporation free and clear of the lien of the Resolution.

Monies in the Debt Service Reserve Fund may not be withdrawn at any time in any amount which would cause the balance of funds in the Debt Service Reserve Fund to fall below the sum of the Debt Service Reserve Fund Requirement except for the purpose of paying principal and interest on the Series A Bonds as described under “Loans and Revenues.” At the direction of the Corporation, amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement may be withdrawn on each April 15 and October 15 after the payment of debt service on the Series A Bonds on such dates and transferred to the Corporation free and clear of the lien of the Resolution.

CERTAIN BONDHOLDERS' RISKS

Limited Security

The Series A Bonds are special revenue obligations of the Corporation payable solely from the Trust Estate. See "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT." There is no assurance that the Series A Loans in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Series A Bonds when due. If Revenues are insufficient, the Resolution provides that the Corporation will use amounts on deposit in the Excess Revenue Fund to make up the deficiency. However, the Corporation may withdraw any money from the Excess Revenue Fund semi-annually in excess of one month's scheduled interest and principal payments due on the Series A Loans, so there can be no assurance that sufficient amounts will be on deposit in the Excess Revenue Fund at any time. The Corporation has also covenanted to take all steps necessary to release excess revenues, if any, from the lien of the Open Resolution in order to make up a deficiency. However, the Open Resolution imposes conditions on the release of revenues from the lien of the Open Resolution and therefore the Corporation may not be able to release such revenues. Failure of the Corporation to meet the conditions for the release of revenues from the lien of the Open Resolution will not be an Event of Default under the Resolution.

Rate of Principal Payments on the Series A Loans

The rate at which principal payments will be used to pay or redeem the Series A Bonds will depend largely on the rate of principal payments, including Prepayments on the Series A Loans. Any historical data regarding prepayment rates of the Series A Loans may not be indicative of the rate of future Prepayments on the Series A Loans and no assurances can be given about the rates at which the Series A Loans will repay. The rate of principal payments on the Series A Loans is expected to vary. Generally, Borrowers may prepay the outstanding Series A Loans at any time and the source of financings for such prepayment could be from a third party lender or from the Corporation, provided that until the Prepayment Lockout Expiration Date, such prepayment may only be made with the prior consent of the Corporation. Prepayments for certain of the Series A Loans are not permitted until the subordinate loan for the related Development has been paid in full. In addition to voluntary prepayments, the Series A Loans can be prepaid as a result of mortgage insurance claim payments, loss mitigation arrangements or liquidations of defaulted Series A Loans. No assurances can be given as to the timing or frequency of any mortgage insurance claim payments, loss mitigation arrangements or foreclosure proceedings with respect to defaulted Series A Loans and the resulting effect on the timing or rate of principal payments on the Series A Bonds.

Rate of Principal Payments Can Reduce the Yield

The rate of principal payments on the Series A Loans could reduce the yield realized on the Series A Bonds. The yield on a Series A Bond probably will be lower than expected if a Series A Bond is purchased at (a) a premium and principal payments or Prepayments are paid faster than expected, or (b) a discount and principal payments are paid slower than expected.

An Investment in the Series A Bonds is Subject to Significant Reinvestment and Extension Risk

The rate of principal payments on the Series A Bonds is uncertain. It may not be possible to reinvest the payments on the Series A Bonds at the same rate of return provided by the Series A Bonds. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and a Bondholder may not be able to take advantage of higher yielding investment opportunities. The final payment on the Series A Bonds may occur much earlier than the maturity date.

Defaults will Increase the Rate of Prepayments

The ability of each Borrower to make the required payments of its Mortgage Loan is affected by a variety of factors, including the maintenance of a sufficient level of occupancy, the maintenance of the physical condition of its project, the level of operating expenses, sound management of its project, the ability to maintain rents sufficient

to cover payments under such Mortgage Loan and operating expenses (including taxes, utility rates and maintenance costs), changes in applicable laws and governmental regulations and the financial condition of the Borrower. If a Borrower defaults on a Series A Loan and the Series A Loan is subsequently foreclosed upon or REMIC Insurance benefits are received, or is otherwise liquidated, the effect would be comparable to a Prepayment of the Series A Loan.

The Series A Bonds May not be Suitable Investment

The Series A Bonds are not suitable investments for all investors. In addition, there is no assurance that a secondary market will develop for the purchase and sale of the Series A Bonds, that any secondary market will continue, or that the price at which the Series A Bonds can be sold will allow for a desired yield on that investment. The market value of the Series A Bonds is likely to fluctuate, with such fluctuations being significant, which could result in significant losses to the holder. The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severe adverse effect on the price of the Series A Bonds because they are sensitive to prepayment and interest rate risk.

Conditions to Payment of REMIC Insurance

REMIC Insurance benefits may be impaired as a result of the failure to pay required mortgage insurance premiums to REMIC, the material modification of the mortgage without prior written approval of REMIC, and the disposal of property or collateral securing the Mortgage Loan prior to the final settlement of a claim for loss. The Corporation is responsible for servicing the Series A Loans and the maintenance of the REMIC Insurance in connection with the Series A Loans.

The Corporation is required to meet certain conditions to obtaining payments under the REMIC Insurance, including providing certain notices to REMIC. Failure to meet such conditions could result in REMIC's refusal to provide payments under an insurance policy. REMIC only insures a portion of a Series A Loan. Losses relating to a Series A Loan could exceed the percentage insured by REMIC. See "SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT—REMIC Insurance Program."

Affordable Multifamily Housing Loans

The Series A Loans are secured by properties that are generally encumbered by restrictive covenants, regulatory agreements or ground leases that impose restrictions relating to tenant income, occupancy and/or rent restrictions. A breach of these restrictions may constitute an event of default under the mortgage or may result in the termination of any payments being received from the governmental entity that imposed the restrictions. Some affordable multifamily housing properties may benefit from other federal, state or local subsidies that may be terminated or abated if the requirements of the subsidies are not met. If a subsidy is reduced or eliminated and cannot be replaced by obtaining a new subsidy, increasing rents to current tenants or the leasing of properties to market tenants, the related Series A Loan may default.

Default under Cash Equivalents

The Resolution allows that the Corporation may, at any time, provide to the Trustee one or more Cash Equivalents for deposit in the Debt Service Reserve Fund. In the event any such Cash Equivalents are so provided (other than in connection with the initial issuance of the Series A Bonds or to replenish the Debt Service Reserve Fund) in replacement of funds on deposit in the Debt Service Reserve Fund, the Trustee shall make such deposit and transfer funds in an equivalent amount from the Debt Service Reserve Fund to the Corporation free and clear of the lien of the Resolution. A default by the provider of a Cash Equivalent may result in insufficient revenues being available for timely payment of the Series A Bonds. There will be no Cash Equivalents entered into at the time of issuance of the Series A Bonds.

PLAN OF FINANCE

The proceeds of the Series A Bonds, along with other moneys available therefor, will be used to finance the acquisition of the Series A Loans and pay certain costs related thereto. See “APPENDIX I - Certain Information Regarding the Series A Loans.”

SOURCES AND USES OF FUNDS

The proceeds of the Series A Bonds and other amounts are estimated to be applied as follows:

SOURCES

Proceeds of Bonds	\$34,561,047.00
Other Available Monies	1,587,956.60
TOTAL SOURCES	\$36,149,003.60

USES

Deposit to Bond Proceeds Account	\$34,561,047.00
Deposit to Debt Service Fund	55,633.69
Deposit to Debt Service Reserve Fund	1,036,831.41
Cost of Issuance*	495,491.50
TOTAL USES	\$36,149,003.60

*Includes compensation to the Underwriter of the Series A Bonds. See “UNDERWRITING.”

RATINGS

Standard & Poor’s Ratings Services and Moody’s Investors Service, Inc. have assigned the Series A Bonds a rating of “AA” and “Aa2,” respectively. Such ratings reflect only the respective views of such rating agencies, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that either or both of such ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Series A Bonds.

LEGALITY OF THE SERIES A BONDS FOR INVESTMENT AND DEPOSIT

Under the provisions of Section 662 of the Act, the Series A 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 Series A 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.

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 Series A 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 Series A Bonds, or in any way impair the rights and remedies of such owners until the Series A 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 Series A Bonds, are fully met and discharged.

NO LITIGATION

At the time of delivery and payment for the Series A 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 of any nature now pending or threatened against or adversely affecting the Corporation of which the Corporation has notice or, to the Corporation's knowledge, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series A Bonds, or in any way contesting or affecting the validity of the Series A Bonds, the Resolution, the Disclosure Agreement (as defined below) or any proceedings of the Corporation taken with respect to the issuance or sale of the Series A Bonds, or the financing of the acquisition of the Series A Loans, or the pledge, collection or application of any monies or security provided for the payment of the Series A Bonds, or the existence, powers or operations of the Corporation, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, if any.

TAX MATTERS

Opinion of Bond Counsel to the Corporation

In the opinion of Bond Counsel to the Corporation, interest on the Series A Bonds (the "Taxable Bonds") is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

In addition, in the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series A 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 Series A 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 exemption from personal income taxes of interest on the Series A Bonds under state and local tax law.

Taxable Bonds

The following discussion is a brief summary of certain United States Federal income tax consequences of the acquisition, ownership and disposition of the Taxable Bonds by original purchasers of the Taxable Bonds who are "U.S. Holders", as defined herein. This summary does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules.

Holders of the Taxable Bonds should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption or other disposition (which would include a legal defeasance) of a Taxable Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Taxable Bond. The Corporation may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the Resolution (a "defeasance"). (See "Appendix II—Form of the Resolution"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service (the "Service").

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

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 Taxable Bonds under state law and could affect the market price or marketability of the Taxable Bonds.

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

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series A 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 Corporation by its General Counsel. Certain legal matters will be passed upon for the Underwriter by its Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

UNDERWRITING

The Series A Bonds are being purchased by the underwriter named on the cover page of this Official Statement (the “Underwriter”) who has agreed, subject to certain conditions, to purchase all but not less than all of the Series A Bonds at par and to make a public offering of the Series A Bonds at prices that are not in excess of the public offering prices stated on the cover page of this Official Statement. The Underwriter will receive compensation in connection therewith in the aggregate amount of \$400,266.50, which includes expenses for such underwriting. The initial public reoffering prices may be changed, from time to time, by the Underwriter.

The following three paragraphs have been provided by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its respective affiliates have, from time to time, performed, and may in the future perform, various financial services and investment banking services for the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE AND OTHER AVAILABLE INFORMATION

In order to assist the Underwriter in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Corporation and the Trustee will enter into a written agreement for the benefit of the holders of the Series A Bonds (the “Disclosure Agreement”) to provide continuing disclosure. The Corporation will undertake to provide to the Municipal Securities Rulemaking Board (“MSRB”), on an annual basis on or before 150 days after the end of each fiscal year of the Corporation commencing with the fiscal year ended October 31, 2014 certain financial information and operating data, referred to herein as “Corporation Annual Information,” including, but not limited to annual financial statements of the Corporation. In addition, the Corporation will undertake in the Disclosure Agreement for the benefit of the holders of the Series A Bonds, to provide to the MSRB, in a timely manner (not in excess of ten (10) Business Days after the occurrence of the event), the notices required to be provided by Rule 15c2-12 and described below.

The Corporation Annual Information shall consist of the following: (a) financial information and operating data of the Corporation prepared in conformity with accounting principles generally accepted in the United States and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States; provided, however, that if audited financial statements are not available in accordance with the dates described above, unaudited financial statements shall be provided and such audited financial statements shall be delivered to the MSRB when they become available, (b) the occupancy rate for each Development, (c) debt service coverage ratio for each Development calculated based on information from the most recent annual financial statements for such Development received by the Corporation and (d) the information regarding amendments to the Disclosure Agreement required pursuant thereto, together with (e) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning the Corporation and in judging the financial information about the Corporation.

Pursuant to the Disclosure Agreement, the Corporation will further undertake to use its best efforts to provide to the MSRB, (i) on a monthly basis, the information regarding the Series A Loans and the reports provided by the Trustee and (ii) on an annual basis, the audited annual financial statements for the Developments, all as described under “SECURITY FOR THE SERIES A BONDS AND SOURCES OF PAYMENT—Information Available to Bondholders.”

The notices required to be provided by Rule 15c2-12, which the Corporation will undertake to provide as described above, include notices of any of the following events: (1) principal and interest payment delinquencies; (2) nonpayment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series A Bonds or other material events affecting the tax status of the Series A Bonds; (7) modification to the rights of holders of Series A Bonds, if material; (8) Series A Bond calls, if material, and tender offers; (9) defeasances of all or a portion of the Series A Bonds; (10) the release, substitution or sale of property securing repayment of the Series A Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar events of the Corporation or a Borrower; (13) the consummation of a merger, consolidation or acquisition involving the Corporation or a Borrower or the sale of all or substantially all of the assets of the Corporation or a Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and to the MSRB, in a timely manner, notice of a failure by the Corporation to provide the Corporation Annual Information required by the Disclosure Agreement.

If any party to the Disclosure Agreement fails to comply with any provisions thereof, then the other party to the Disclosure Agreement and, as a direct or third party beneficiary, as the case may be, any holder of the Series A Bonds may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the Disclosure Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach or default under the Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the undertakings contained therein, and no person or entity may recover monetary damages thereunder under any circumstances; provided, however, that the rights of any holder of Series A Bonds to challenge the adequacy of the information provided by the Corporation are conditioned upon the provisions of the Resolution with respect to the enforcement of remedies of holders of the Series A Bonds upon the occurrence of an Event of Default described in the Resolution. A breach or default under the Disclosure Agreement shall not constitute an Event of Default under the Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Disclosure Agreement, insofar as the provisions of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided. Beneficial Owners of the Series A Bonds are third-party beneficiaries of the Disclosure Agreement and, as such, are deemed to be holders of the Series A Bonds for the purposes of exercising remedies.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data. Where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Disclosure Agreement, however, may be amended or modified without the consent of the holders of the Series A Bonds under certain circumstances set forth in the Disclosure Agreement.

Copies of the Disclosure Agreement, when executed and delivered by the parties thereto on the date of the initial delivery of the Series A Bonds, will be on file at the office of the Corporation.

The Corporation has entered into other agreements to provide continuing disclosure (each, a “CDA”) with regard to bonds that were not issued under the Resolution. The Corporation has fully complied with such CDAs during the previous five years.

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 Series A Bonds.

This Official Statement is submitted in connection with the sale of the Series A 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 has been duly authorized and approved by the Corporation, and duly executed and delivered on behalf of the Corporation.

**NEW YORK CITY HOUSING DEVELOPMENT
CORPORATION**

By: s/ Gary D. Rodney
Gary D. Rodney
President

Dated: June 19, 2014

Certain Information Regarding the Series A Loans

Certain Information Regarding the Series A Loans as of the Cut-off Date

Development ^{1,2,3,4}	Borough	Number of Units/Occupancy Rate ⁵	Original Balance	Balance as of the Cut-off Date	Permanent Loan Closing Date	Amortization Start Date	Amortization Term (Months)	Maturity Date	Payments Remaining (Months)	Prepayment Lockout Expiration Date	Net Interest Rate	Gross Interest Rate	Monthly Principal and Interest Payment	Debt Service Coverage Ratio ^{6,7}
137-02 Northern Blvd.	Queens	71/100%	\$7,200,000	\$5,840,372	1/24/2001	3/1/2001	360	3/1/2031	201	4/1/2016	7.35%	8.00%	\$52,831	1.61x
140-26 Franklin Ave.	Queens	54/94%	5,190,000	4,239,587	4/4/2001	6/1/2001	360	6/1/2031	204	7/1/2016	7.35	8.00	38,082	1.16
32-08 Union St.	Queens	25/96%	2,770,000	2,203,143	6/28/2000	7/1/2000	360	7/1/2030	193	8/1/2015	7.35	8.00	20,325	1.38
Frederick Douglass Blvd. (Triangle Court I)	Manhattan	49/96%	3,820,000	2,753,165	11/28/2000	12/1/2000	360	12/1/2030	198	1/1/2016	6.93	7.58	24,406	3.14
9501 Rockaway Beach Blvd.	Queens	72/97%	5,380,000	4,806,944	1/19/2006	2/1/2006	354	8/1/2035	254	3/1/2016	6.35	7.00	35,793	1.86
138 East 112th St.	Manhattan	43/95%	6,210,000	5,513,512	3/24/2006	4/1/2006	355	11/1/2035	257	5/1/2016	6.05	6.75	40,278	1.30
1514 Sedgwick Ave.	Bronx	96/96%	10,185,000	9,204,325	2/28/2007	3/1/2007	350	5/1/2036	263	4/1/2017	6.05	6.75	66,060	1.20
Total	-	410 (units)	\$40,755,000	\$34,561,048	-	-	-	-	-	-	-	-	\$277,776	-
Weighted Average	-	96% (occupancy)	-	-	-	-	356	-	233	-	6.62%	7.30%	-	1.54x

1) The Developments received subordinate low interest rate loans ("Subordinate Loans") from the Corporation pursuant to the New Housing Opportunities Program ("New HOP").
2) The Developments are partially insured by the New York City Residential Mortgage Insurance Corporation ("REMIC").
3) The REMIC Insurance premium is 0.50% per annum for each Development.
4) The Servicing Fee is 0.20% per annum for 138 East 112th St. and 1514 Sedgwick Ave., and the Servicing Fee is 0.15% per annum for the remaining Developments.
5) Occupancy rates as of January 31, 2014.
6) The Debt Service Coverage Ratio ("DSCR") for 140-26 Franklin Ave. includes the debt service for a \$261,000 co-senior loan. The DSCRs are calculated based on the current debt service for the Series A Loans and do not reflect debt service on the Subordinate Loans.
7) 140-26 Franklin Ave. and Frederick Douglass Blvd. (Triangle Court I) DSCRs are based on 2013 annual financial statement, and the remaining Development DSCRs are based on 2012 annual financial statement

Subordinate Loans as of the Cut-off Date					Series A Loans and Subordinate Loans Composite as of the Cut-off Date		
Development ^{1,2,3,4}	Original Balance	Balance as of the Cut-off Date	Gross Interest Rate	Monthly Principal and Interest Payment	Balance as of the Cut-off Date	Debt Service Coverage Ratio ^{5,6}	WA Gross Interest Rate ⁸
137-02 Northern Blvd.	\$1,775,000	\$1,611,156	1.00%	\$2,443	\$7,451,528	1.54x	6.49%
140-26 Franklin Ave.	1,415,000	1,156,893	1.00	2,729	5,396,481	1.09	6.50
32-08 Union St.	642,500	579,992	1.00	884	2,783,135	1.33	6.54
Frederick Douglass Blvd. (Triangle Court I)	1,275,000 929,831	1,149,536 806,710	1.00 8.00	7,983 ⁷ 7,350	4,709,411	1.93	6.05
9501 Rockaway Beach Blvd.	2,880,000	2,694,538	1.00	4,237	7,501,482	1.67	4.84
138 East 112th St.	1,612,500	1,470,347	1.00	2,736	6,983,859	1.21	5.54
1514 Sedgwick Ave.	4,320,000	4,320,000	1.00	3,600	13,524,325	1.13	4.91
Total	\$14,849,831	\$13,789,173	-	\$31,964	\$48,350,221	-	-
Weighted Average	-	-	1.41%	-	-	1.37x	5.62%

1) The Developments received Subordinate Loans from the Corporation pursuant to the New HOP Program.

2) The Developments are partially insured by REMIC.

3) The REMIC Insurance premium is 0.50% per annum for each Development.

4) The Servicing Fee is 0.20% per annum for 138 East 112th St. and 1514 Sedgwick Ave., and the Servicing Fee is 0.15% per annum for the remaining Developments.

5) The Debt Service Coverage Ratio ("DSCR") represents the actual debt service coverage ratio of the Series A Loans and the Subordinate Loans.

6) 140-26 Franklin Ave. and Frederick Douglass Blvd. (Triangle Court I) DSCRs are based on 2013 annual financial statements, and the remaining Development DSCRs are based on 2012 annual financial statements.

7) The Frederick Douglass Blvd. (Triangle Court I) Subordinate Loan Monthly Principal and Interest Payment of \$7,983 steps down to \$5,112 beginning on January 1, 2021.

8) The weighted average gross interest rate represents the weighted average gross interest rate of the Series A Loans and the Subordinate Loans.

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FORM OF RESOLUTION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Multi-Family Housing Pass-Through Revenue Bond Resolution
Authorizing the
Multi-Family Housing Pass-Through Revenue Bonds,
2014 Series A

Adopted June 10, 2014

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Multi-Family Housing Pass-Through Revenue Bond Resolution
Authorizing the
Multi-Family Housing Pass-Through Revenue Bonds,
2014 Series A

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

ARTICLE I

SHORT TITLE, AUTHORITY AND DEFINITIONS

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

Section 1.2. Authority for Resolution and Bonds. This Resolution and the issuance of Bonds hereunder have been duly authorized by the Corporation and the principal amount of Bonds that may be issued hereunder is not limited except as provided herein or by law. The Corporation has ascertained and it is hereby determined and declared that the adoption of this Resolution is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the Corporation in accordance with the Act and to carry out powers expressly given in the Act, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the purposes of the Corporation under the Act.

Section 1.3. Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of this Resolution shall be a part of the contract of the Corporation with the owners of the Bonds and shall be deemed to be and shall constitute a contract among the Corporation, the Trustee and the owners from time to time of such Bonds. The pledges made hereby and the provisions, covenants and agreements herein 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 this Resolution.

Section 1.4. Definitions. The following terms shall, for all purposes of this Resolution, have the following meanings unless the context shall clearly indicate some other meanings:

“Account” means an account established within a Fund.

“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 any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Corporation.

“Amortization Schedule” means the amortization schedule with respect to the Loans delivered to the Trustee by the Corporation on the Closing Date, as such schedule may be amended from time to time in connection with the receipt of any Prepayment.

“Assigned Rights” means the rights pledged pursuant to Section 5.1 hereof.

“Authorized Denomination” means \$1.00 or any integral multiple thereof.

“Authorized Officer” means 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.

“Available Moneys” means, as of any date of determination, money (including, without limitation, the proceeds of any bonds) regarding which, in each case, the Trustee has received an Opinion of Counsel to the effect that, if the Corporation were to become the debtor in a case commenced under the Bankruptcy Code, the use of such money (and any Investment Income derived therefrom) to make payments on the Bonds (i) would not violate the automatic stay pursuant to Section 362(a) of the Bankruptcy Code, and (ii) would not be avoidable pursuant to Section 544, 547 or 548 of the Bankruptcy Code.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

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

“Bond” or “Bonds” means the Corporation’s Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A authorized by this Resolution, in the original aggregate principal amount of \$34,561,047.

“Bond Counsel” means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds or (ii) after the Closing Date, 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.

“Bond Documents” means the Bonds, the Bond Purchase Agreement, this Resolution, the Continuing Disclosure Agreement, the Regulatory Agreements (and any other agreement relating to rental restrictions on the Mortgaged Property) and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, and delivery of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time.

“Bond Purchase Agreement” means the Contract of Purchase, dated June 19, 2014, by and between the Underwriter and the Corporation.

“Bond Register” means the Bond Register maintained by the Trustee pursuant to Section 2.11.

“Bondholder,” “holder,” “Owner,” “owner,” “Registered Owner” or “registered owner” means, with respect to any Bond, the owner of the Bond as shown on the Bond Register.

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

“Borrower” means a mortgagor with respect to any Loan.

“Business Day” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which (i) banking institutions in the City of New York or in the city in which the Designated Office of the Trustee is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is authorized or obligated by law or executive order to be closed, or (d) so long as any Bond is held in book-entry form, a day on which DTC is closed.

“Cash Equivalent” means a letter of credit, insurance policy, surety, guaranty or other security arrangement.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor of DTC with respect to the Bonds.

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

“Closing Date” means the date on which the Bonds are issued and delivered to or upon the order of the Underwriter.

“Commitment” means, with respect to a Loan, the Financing Commitment and Agreement, between the Corporation and the Borrower, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“Conditional Redemption” means a redemption where the Trustee has stated in the notice of redemption that the redemption is conditioned upon deposit of funds as further described in Section 3.4.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the Closing Date, by and between the Corporation and the Trustee, as the same may be amended, supplemented, restated or otherwise modified from time to time.

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

“Debt Service Fund” means the Debt Service Fund created by Section 5.2.

“Debt Service Reserve Fund Requirement” means, with respect to the Bonds, as of any date of calculation, an amount equal to three percent (3%) of the principal amount of the Outstanding Bonds.

“Designated Office” of the Trustee means the office of the Trustee at the address set forth in Section 13.4 or at such other address as may be specified in writing by the Trustee as provided in Section 13.4.

“Development” means any multi-family housing development financed by the Corporation with the proceeds of the Loans.

“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.

“Electronic Means” means an electronic mail, facsimile transmission or any other electronic means of communication approved in writing by the Corporation.

“Event of Default” means, as used in any Transaction Document, any event described in that document as an Event of Default. Any “Event of Default” as described in any Transaction Document is not an “Event of Default” in any other Transaction Document unless that other Transaction Document specifically so provides.

“Extraordinary Items” means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses.

“Fund” means any fund created by Section 5.2.

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

“Interest Account” means the Interest Account of the Loan Payment Fund.

“Interest Payment Date” means the fifteenth (15th) day of each calendar month, any Redemption Date, and the Maturity Date.

“Investment” means any Permitted Investment and any other investment held under this Resolution that does not constitute a Permitted Investment.

“Investment Income” means the earnings, profits and accreted value derived from the investment of moneys pursuant to Article VI.

“Letter of Representations” means the Blanket Issuer Letter of Representations, dated April 26, 1996, from the Corporation to DTC, applicable to the Bonds.

“Loan” means a loan, evidenced by a Mortgage Note, for a Development, secured by a Mortgage and acquired with the proceeds of the Bonds, as identified in Exhibit B hereto.

“Loan Documents” means, with respect to a Loan, collectively, the Mortgage Note, the Security Instrument, the Commitment and all other documents, agreements and instruments evidencing, securing or otherwise relating to such Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time.

“Loan Payment Fund” means the Loan Payment Fund created by Section 5.2.

“Loan Repayments” means, with respect to any Loan, the amounts received by the Corporation in respect of scheduled payments of the principal and/or interest on the Mortgage Note by or for the account of the Corporation, but does not include Prepayments, Servicing Fees or REMIC Insurance premiums.

“Maturity Date” means June 15, 2036.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Corporation, as assigns credit ratings.

“Mortgage”, with respect to a Loan, has the meaning given to that term in the Security Instrument.

“Mortgage Note” means, with respect to a Loan, the note evidencing such Loan, executed by the Borrower in favor of the Corporation, as the same may be amended, supplemented, modified or restated from time to time or any mortgage note executed in substitution therefor in accordance with the Loan Documents, as such substitute note may be amended, supplemented, modified or restated from time to time.

“Mortgaged Property”, with respect to a Loan, has the meaning given to that term in the Security Instrument.

“MSRB” means the Municipal Securities Rule Making Board, the current required method of filing of which is electronically via its Electronic Municipal Market Access (EMMA) system available at <http://emma.msrb.org>.

“Net Bond Proceeds” means the total proceeds derived from the issuance, sale and delivery of the Bonds, representing the total purchase price of the Bonds, including any premium paid as part of the purchase price of the Bonds, but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds.

“Open Resolution” means the Multi-Family Housing Revenue Bonds Bond Resolution, adopted by the Corporation on July 27, 1993, as amended.

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

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

“Opinion of Counsel” means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

“Outstanding” means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, all Bonds which have been authenticated and delivered under this Resolution except:

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;
- (b) any Bond deemed to have been paid as provided in Article IX; and
- (c) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II, Section 3.5 or Section 12.5.

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

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

- (a) Government Obligations;
- (b) any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers’ Home Administration and Export-Import Bank of the United States;
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by any Federal agency and backed by the full faith and credit of the United States of America;
- (d) any other obligation of the United States of America or any Federal agencies which may be purchased by New York State Savings Banks;

(e) deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described above, or (ii) fully insured by the Federal Deposit Insurance Corporation, or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service;

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

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

(h) obligations of the City and State of New York;

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

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

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

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

“Person” means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

“Prepayment” means, with respect to any Loan, any moneys received or recovered by or for the account of the Corporation from any payment of or with respect to the principal and/or interest (including any applicable penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any Loan prior to the scheduled payment of such principal and/or interest as called for by such Loan, whether (a) by voluntary prepayment made by the Borrowers, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) by the voluntary or involuntary sale, assignment, endorsement or other disposition of such Loan or any part thereof by the Corporation as permitted by this Resolution, or (d) in the event of a default thereon by a Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Loan by the Corporation or by any other proceedings taken by the Corporation, including, but not limited to, recovery of REMIC Insurance Proceeds.

“Principal Account” means the Principal Account of the Loan Payment Fund.

“Principal Amount” means \$34,561,047, the aggregate principal amount of the Bonds Outstanding on the Closing Date.

“Rating Agency” means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

“Record Date” means, with respect to the Initial Interest Payment Date, the Closing Date, and any Interest Payment Date thereafter, the first day of the month in which such Interest Payment Date occurs.

“Redemption Date” means any date upon which Bonds are to be redeemed pursuant to this Resolution.

“Redemption Price” means the principal amount, or portion thereof, of a Bond to be redeemed, plus the redemption premium, if any, payable upon the redemption thereof.

“Regulatory Agreement” means, with respect to a Loan, the Regulatory Agreement relating to the Mortgaged Property, by and between the Corporation and the Borrower, as it may be amended, supplemented or restated from time to time.

“REMIC” means the New York City Residential Mortgage Insurance Corporation, a subsidiary corporation of the Corporation and its successors.

“REMIC Insurance” means the partial mortgage insurance for Developments issued by REMIC.

“REMIC Insurance Proceeds” means the amounts received by the Trustee from REMIC pursuant to REMIC Insurance with respect to the Loans.

“Reserved Rights” means those certain rights of the Corporation to indemnification and to payment or reimbursement of certain fees and expenses of the Corporation, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrowers and of each Mortgaged Property, its right to collect reasonable attorneys’ fees and related expenses, its right to specifically enforce the Borrowers’ covenant to comply with applicable State law (including the Act and the rules and regulations of the Corporation, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations relating to the Reserved Rights.

“Resolution” means this Resolution, as amended, supplemented or restated from time to time.

“Revenues” means all (i) Loan Repayments, Prepayments and except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Loan Repayments, (ii) Investment Income, and (iii) all other payments and receipts received by the Corporation with respect to Loans, but shall not include (i) Servicing Fees, unless such fees are specifically pledged to the Trustee, or (ii) REMIC Insurance premiums, or (iii) any commitment,

reservation, extension or application fees charged by the Corporation in connection with a Loan, or (iv) accrued interest received in connection with the purchase of any Investments.

“Securities Depository” means, initially, DTC, and any replacement securities depository appointed under this Resolution.

“Security Instrument” means, with respect to a Loan, the applicable security instrument, together with all riders and exhibits, securing the Mortgage Note and the obligations of the Borrower to the Corporation under the Loan Documents, executed by the Borrower with respect to the Mortgaged Property, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Servicer” means any state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Corporation as experienced and qualified to service Loans, and any successor thereto.

“Servicing Agreement” means an agreement between the Corporation and a Servicer for the servicing of Loans.

“Servicing Fees” means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with a Servicing Agreement and (b) any fees retained by or expenses reimbursed to the Corporation with respect to Loans serviced by the Corporation.

“State” means the State of New York.

“S&P” means Standard & Poor’s Rating Group, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Corporation, as assigns credit ratings.

“Transaction Documents” means the Bond Documents and the Loan Documents.

“Trust Estate” means the property, interests, rights, money, securities and other amounts pledged pursuant to Section 5.1 of this Resolution.

“Trustee” means The Bank of New York Mellon, a New York banking corporation, or its successors or assigns, or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under this Resolution.

“Underwriter” means Barclays Capital Inc.

Section 1.5. Rules of Construction. The rules of construction set forth in this Section 1.5 apply to this Resolution.

(a) The singular form of any word includes the plural, and vice versa, unless the context otherwise requires. The use of a pronoun of any gender includes correlative words of the other genders.

(b) All references to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Resolution; the words “in this Resolution,” “of this Resolution,” “under this Resolution” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision; and the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Resolution, refer to this Resolution.

(c) Any captions, headings or titles of the several Articles, Sections and other subdivisions, and the table of contents are solely for convenience of reference and do not limit or otherwise affect the meaning, construction or effect of this Resolution or describe the scope or intent of any provision.

(d) All accounting terms not otherwise defined have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action under this Resolution by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(f) All references in this Resolution to “counsel fees,” “attorneys’ fees” or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceedings.

(g) Whenever the word “includes” or “including” is used, such word means “includes or including by way of example and not limitation.”

(h) Any monies, documents, securities, obligations or other items received by the Trustee pursuant to the terms of this Resolution shall be deemed to have been received by the Corporation.

ARTICLE II

THE BONDS

Section 2.1. Authorized Amount of Bonds. No Bonds may be issued under this Resolution except as provided in this Article II. The aggregate principal amount of Bonds that may be issued and Outstanding under this Resolution is expressly limited to the Principal Amount.

Section 2.2. Issuance of Bonds. (a) The Bonds are authorized to be issued pursuant to and in accordance with this Resolution, substantially in the form set forth in Exhibit A hereto with such appropriate variations, legends, omissions and insertions as permitted by this Resolution.

(b) The Bonds have been designated “New York City Housing Development Corporation Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A” and issued in the original principal amount of \$34,561,047. The Bonds shall be dated the original issue date, bear interest from the Closing Date at the rate of three and five hundredths percent (3.05%) per annum, payable on each Interest Payment Date, commencing on July 15, 2014, and maturing on the Maturity Date, subject to prior redemption as provided in Article III. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered consecutively from “AR-1” upwards.

Section 2.3. Payment of Principal and Interest. The principal of and the interest and any premium on the Bonds are payable in lawful money of the United States of America to the Registered Owners as of the close of business on the applicable Record Date. Payment of interest on the Bonds shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first-class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond on or after the Maturity Date or date fixed for purchase, redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning \$1,000,000 or more in aggregate principal amount of Bonds if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five (5) Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing by the Registered Owner at least five (5) Business Days prior to a Record Date. If interest on the Bonds is in default, the Trustee, prior to the payment of interest, shall establish a special record date (“Special Record Date”) for such payment. A Special Record Date may not be more than fifteen (15) or less than ten (10) days prior to the date of the proposed payment. Payment of defaulted interest shall then be made by check or wire transfer, as permitted above,

mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

Section 2.4. Special Revenue Obligations. The Bonds shall be special revenue obligations of the Corporation payable solely from the Trust Estate. The Bonds shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor.

Section 2.5. Purposes. The Bonds are authorized to provide moneys, together with other moneys legally available therefor, to finance the acquisition of the Loans and pay certain costs related thereto.

Section 2.6. Temporary Bonds. If definitive Bonds are not ready for delivery on the Closing Date, the Corporation shall execute, and at the request of the Corporation, the Trustee shall authenticate and deliver, one or more temporary Bonds, in any Authorized Denomination, in fully registered form, and in substantially the form provided for definitive Bonds with such appropriate omissions, insertions and variations. The Corporation shall cause definitive Bonds to be prepared and to be executed and delivered to the Trustee. Upon presentation to it of any temporary Bond, the Trustee shall cancel the same and authenticate and deliver in exchange therefor, without charge to the owner of such Bond, a definitive Bond or Bonds of an equal aggregate principal amount of Authorized Denominations, of the same maturity and series, and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds will in all respects be entitled to the same benefit and security of this Resolution as the definitive Bonds.

Section 2.7. Execution. After their authorization hereby, the Bonds may be executed by or on behalf of the Corporation and delivered to the Trustee for authentication. The Bonds shall be executed in the name and on behalf of the Corporation by the manual or facsimile signature of an Authorized Officer and the corporate seal of the Corporation (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of any other Authorized Officer, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office or be so employed. Any Bond may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of the Bonds such persons may not have been so authorized or have held such office or employment.

Section 2.8. Authentication. The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Appendix A hereto, executed manually by the Trustee. No Bond shall be entitled to any right or benefit under this Resolution or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of

the Corporation shall be conclusive evidence that the Bond has been so authenticated and delivered under this Resolution and that the owner thereof is entitled to the benefits hereof.

Section 2.9. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Corporation shall execute and the Trustee shall authenticate and deliver a new Bond of the same maturity, interest rate, principal amount, series and tenor in lieu of and in substitution for the mutilated, lost, stolen or destroyed Bond, provided, however, that in the case of any mutilated Bond, the mutilated Bond must first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there must be first furnished to the Trustee evidence satisfactory to it of the ownership of the Bond, and of the loss, theft or destruction, together with indemnity satisfactory to the Trustee and the Corporation and compliance with such other reasonable requirements as the Trustee and the Corporation may prescribe. If any such Bond will mature within the ensuing sixty (60) days, or if such Bond has been called for redemption or a Redemption Date pertaining to such Bond has passed, instead of replacing the Bond, the Trustee may, upon receipt of such indemnity, pay the Bond. The Trustee shall cancel any mutilated Bond surrendered to it. In connection with any such payment, the Corporation and the Trustee may charge the holder of such Bond their reasonable fees and expenses, including attorneys' fees and expenses.

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

Section 2.10. Securities Depository Provisions.

(a) Except as provided in subsection (c) of this Section 2.10, the registered owner of all of the Bonds shall be Cede & Co., as nominee for DTC, and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer or Federal or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Bonds at the address indicated for Cede & Co. in the registry books of the Corporation kept by the Trustee.

(b) The Bonds shall be initially issued in the form of separate single authenticated fully registered Bonds in the amount of the Bonds. Upon initial issuance, the ownership of the Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Corporation may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to owners of the Bonds under this Resolution, registering the transfer of the Bonds, obtaining any consent or other action to be taken by owners of the Bonds and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. The Trustee and the Corporation shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any

Participant, or any other person which is not shown on the registration books of the Trustee as being an owner of the Bonds, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to owners of the Bonds under this Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as owner of the Bonds. The Trustee shall pay all principal of, and premium, if any, and interest on the Bonds only to or “upon the order of” Cede & Co., as nominee for DTC (as that term is used in the Uniform Commercial Code as adopted in the State), and all such payments shall be valid and effective to fully satisfy and discharge the Corporation’s obligations with respect to the principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond evidencing the obligation of the Corporation to make payments of principal of and premium, if any, and interest on the Bonds pursuant to this Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to transfers, the word “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

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

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

(e) In connection with any notice or other communication to be provided to Bond owners pursuant to this Resolution by the Corporation or the Trustee with respect to any consent

or other action to be taken by Bond owners, the Corporation or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC under this subsection (e) is the sole Bond owner.

Section 2.11. Bond Registrar; Exchange and Transfer of Bonds; Persons Treated as the Bondholders.

(a) Bond Registrar; Bond Register. The Trustee shall act as the initial Bond Registrar and in such capacity shall keep the Bond Register for the registration of the Bonds and for the registration of transfer of the Bonds.

(b) Transfers and Exchanges. Any Bondholder or its attorney duly authorized in writing may transfer title to or exchange a Bond upon surrender of the Bond at the Designated Office of the Trustee together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee executed by the Bondholder or its attorney duly authorized in writing. Upon surrender for registration of transfer of any Bond, the Corporation shall execute and the Trustee shall authenticate and deliver in the name of the Bondholder or its transferee or transferees a new Bond or Bonds of the same aggregate principal amount, rate of interest, maturity, series and tenor as the Bond surrendered and of any Authorized Denomination.

(c) Exceptions to Transfers and Exchanges. Except as provided in Section 3.5, the Trustee will not be required to register any transfer or exchange of any Bond (or portion of any Bond) during the fifteen-day period immediately before the selection of Bonds for redemption, and from and after notice calling such Bonds (or portion of such Bonds) for redemption or partial redemption has been given and prior to such redemption.

(d) Charges. Registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, but any taxes or other governmental charges required to be paid with respect to a transfer or exchange shall be paid by the Bondholder requesting the registration of transfer or exchange as a condition precedent to the exercise of such privilege.

(e) Recognized Owners. The person in whose name any Bond is registered on the Bond Register will be deemed the absolute owner of such Bond for all purposes, and payment of any principal, interest and premium will be made only to or upon the order of such person or its attorney duly authorized in writing, but such registration may be changed as provided above. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(f) Bonds Protected. All Bonds issued upon any registration of transfer or exchange of Bonds will be legal, valid and binding limited obligations of the Corporation, evidencing the same debt, and entitled to the same security and benefits under this Resolution, as the Bonds surrendered upon such transfer or exchange.

(g) The Corporation's Reliance. In executing any Bond upon any exchange or registration of transfer provided for in this Section 2.11, the Corporation may rely conclusively on a representation of the Trustee that such execution is required.

Section 2.12. Cancellation. All Bonds which have been surrendered pursuant to Section 2.3 or Article III for payment upon maturity or redemption prior to maturity or Bonds which are deemed canceled will be canceled by the Trustee and will not be reissued. Canceled Bonds will be destroyed by the Trustee unless the Trustee receives contrary instructions from the Corporation.

Section 2.13. Conditions for Delivery of Bonds. The Corporation shall execute for issuance and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to or for the account of the Underwriter or to such persons as the Underwriter specifies, in each case in the records of DTC, provided, however, that prior to delivery of the Bonds to the Underwriter each of the following must be delivered to the Trustee:

- (a) a certified copy of this Resolution;
- (b) an opinion of Bond Counsel substantially to the effect that (i) this Resolution has been duly adopted by the Corporation and is in full force and effect and is valid and binding upon the Corporation and enforceable in accordance with its terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)), (ii) this Resolution creates the valid pledge and lien which it purports to create of and on the Trust Estate, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by this Resolution, and (iii) upon the execution, authentication and delivery thereof, the Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such opinion, and in accordance with this Resolution;
- (c) a written order as to the delivery of the Bonds, signed by an Authorized Officer, together with the Amortization Schedule;
- (d) a receipt for the Bonds, in form satisfactory to Bond Counsel and counsel to the Underwriter, signed by the Underwriter; and
- (e) written evidence that the Bonds have been assigned a rating of "Aa2" and "AA" by Moody's and S&P, respectively.

ARTICLE III

REDEMPTION OF BONDS

Section 3.1. Redemption. The Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

Section 3.2. Special Optional Redemption. The Bonds are subject to special optional redemption in whole (but not in part) on any Interest Payment Date on and after the date on which the Outstanding principal amount of the Bonds is less than ten percent (10%) of the original principal amount thereof, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, without premium.

Section 3.3. Mandatory Redemption. The Bonds are subject to mandatory redemption in whole or in part on each Interest Payment Date, beginning on August 15, 2014, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, without premium, in an amount equal to the principal portion of Loan Repayments and Prepayments received by or on behalf of the Corporation during the calendar month preceding such Interest Payment Date (or, in the case of August 15, 2014, on and after the Closing Date through the last day of the calendar month preceding such Interest Payment Date), and transferred from the Principal Account of the Loan Payment Fund to the Debt Service Fund pursuant to Section 5.4. For purposes of this Section 3.3, (a) any amounts transferred from the Excess Revenue Fund or the Debt Service Reserve Fund or provided by the Corporation (either from amounts released from the Open Resolution or from other funds of the Corporation) to make up the principal amount of any Loan Repayment that is not received during the month when it is due shall be deemed to be such Loan Repayment, and (b) payments made pursuant to the REMIC Insurance policy relating to the principal of a Series A Loan shall be considered Loan Repayments or Prepayments.

Section 3.4. Notice of Redemption to Registered Owners.

(a) Special Optional Redemption Notice Requirement. For any special optional redemption of Bonds pursuant to Section 3.2, the Trustee shall give notice of redemption by Electronic Means or first-class mail, postage prepaid, not more than sixty (60) days nor less than twenty (20) days prior to the specified Redemption Date, to the Registered Owner of each Bond at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of any special optional redemption under Section 3.2, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds in full (“Conditional Redemption”), and such notice and special optional redemption shall be of no effect if by no later than the scheduled Redemption Date sufficient moneys to redeem the Bonds have not been deposited with the Trustee, or, if such moneys are deposited, are not available. The Trustee shall cause a second notice of redemption to be sent by first-class mail, postage prepaid, on or within ten (10) days after the thirtieth (30th) day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee

for payment. The Trustee shall provide copies of all notices given under this Section 3.4(a) and of all revocations of notices to the Corporation at the same time it gives notices to Bondholders.

(b) NOTWITHSTANDING ANYTHING TO CONTRARY HEREIN, NO NOTICE OF MANDATORY REDEMPTION PURSUANT TO SECTION 3.3 SHALL BE REQUIRED.

(c) Content of Notice. Each notice of special optional redemption must state: (i) the date of the redemption notice; (ii) the complete official name of the Bonds, including the series designation; (iii) the interest rate and Maturity Date of each Bond to be redeemed; (iv) the CUSIP numbers of all Bonds being redeemed; (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed; (vi) the Redemption Date and Redemption Price of each Bond to be redeemed; (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption; (viii) that interest on all Bonds to be redeemed will cease to accrue from and after the Redemption Date; and (ix) that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds.

(d) Additional Notice. At the same time notice of redemption is sent to the Registered Owners, the Trustee shall send notice of redemption by Electronic Means or first-class mail, overnight delivery service or other overnight means, postage or service prepaid to (i) the Rating Agency and (ii) the MSRB.

(e) Validity of Proceedings for the Redemption of Bonds. Any notice given pursuant to subsection (a) above will be conclusively presumed to have been duly given and received when given in the manner provided therein, whether or not any holder actually receives the notice. Receipt of notice under subsection (a) above shall not be a condition precedent to redemption of the Bonds, and any failure to mail any such notice to any Registered Owner or any failure so to receive any such notice by any Registered Owner or any defect in any such notice shall not affect the validity or the proceedings for the redemption of any Bonds.

(f) Rescission of Conditional Redemption; Cancellation of Special Optional Redemption. The Trustee shall rescind any Conditional Redemption if the requirements of subsection (a) above have not been met on or before the Redemption Date. The Trustee shall give notice of rescission by the same means as is provided in this Section 3.4 for the giving of notice of redemption or by Electronic Means confirmed in writing. The special optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default.

Section 3.5. Redemption Payments. If notice of redemption has been given as provided in Section 3.4(a) in the case of a special optional redemption, and if on the Redemption Date moneys for the redemption of all Bonds or portions thereof to be redeemed, together with interest to the Redemption Date, shall be available for such payments, and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption shall become due and payable on the Redemption Date, interest on such Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the

Bonds so called for redemption shall thereafter no longer have any security or benefit under this Resolution except to receive payment of the Redemption Price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed. If less than the entire principal amount of a Bond is called for redemption, the Corporation shall execute, and the Trustee shall authenticate and deliver, upon the surrender of such Bond to the Trustee, without charge by the Corporation or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Bond so surrendered.

Section 3.6. Selection of Bonds to be Redeemed Upon Partial Redemption. If the Bonds are to be redeemed in part pursuant to Section 3.3, each of the Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of each such Bond to the aggregate Outstanding principal amount of all Outstanding Bonds. To affect this pro rata redemption while the Bonds are held in the book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by the Securities Depository.

ARTICLE IV

DISPOSITION OF BOND PROCEEDS

Section 4.1. Bond Proceeds Account. On the Closing Date, the Trustee shall deposit \$34,561,047, representing the Net Bond Proceeds with respect to the Bonds, into the Bond Proceeds Account to be applied pursuant to Section 5.3.

Section 4.2. Debt Service Fund. Upon delivery of the Bonds, the Corporation shall deliver to the Trustee \$55,633.69, from available funds other than the proceeds of the Bonds, for deposit in the Debt Service Fund. Monies so deposited in the Debt Service Fund shall be applied to pay interest due on the Bonds on July 15, 2014 in accordance with Section 5.5

Section 4.3. Debt Service Reserve Fund. Upon delivery of the Bonds, the Corporation shall deliver to the Trustee \$1,036,831.41, from available funds other than the proceeds of the Bonds, for deposit in the Debt Service Reserve Fund. Such amount is not less than the Debt Service Reserve Fund Requirement with respect to the Bonds. Monies so deposited in the Debt Service Reserve Fund shall be applied in accordance with Section 5.7.

ARTICLE V

PLEDGE; FUNDS AND ACCOUNTS

Section 5.1. Pledge. To secure the payment of the principal of and interest and any premium on the Bonds according to their tenor and effect and to secure the performance and observance by the Corporation of the covenants expressed in this Resolution and in the Bonds, the Corporation absolutely and irrevocably pledges the property described in the following paragraphs (1) through (6) to the Trustee for the benefit of the Bondholders, subject to the provisions of this Resolution permitting the application of such property for the purposes set forth in this Resolution:

(1) all of the Corporation's right, title and interest in and to the Loans and the Loan Documents, reserving, however, the Reserved Rights;

(2) all rights to receive payments on the Mortgage Notes and under the other Loan Documents, including all proceeds of insurance or condemnation awards, but excluding (i) payments to be applied to pay Servicing Fees or REMIC Insurance premiums and (ii) any late payment penalties;

(3) all of the Corporation's right, title and interest in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under this Resolution (including, without limitation, moneys, documents, securities, Investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee);

(4) all proceeds of mortgage insurance and other security related to the Loans;

(5) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under this Resolution for the benefit of the Bondholders; and

(6) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income;

TO HAVE AND TO HOLD unto the Trustee;

IN TRUST, NEVERTHELESS, upon the terms set forth in this Resolution for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Corporation or its successors or assigns pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest and any premium to become due on the Bonds at the times and in the manner provided in this Resolution and if no amount is owing by the Borrowers to the Corporation or the Trustee under the Loan Documents, and if the Corporation keeps, performs and observes, or causes to be kept,

performed and observed, all of its covenants, warranties and agreements contained in this Resolution, this Resolution and the estate and rights granted by this Resolution shall terminate and be discharged in accordance with its terms, upon which termination the Trustee shall execute and deliver to the Corporation such instruments in writing as shall be necessary to satisfy the lien of this Resolution, and, in accordance with Article IX, shall reconvey to the Corporation any property at the time subject to the lien of this Resolution which may then be in the Trustee's possession, except amounts held by the Trustee for the payment of principal of and interest and any premium on the Bonds; otherwise this Resolution shall be and remain in full force and effect, upon the trusts and subject to the covenants and conditions set forth in this Resolution; and

PROVIDED, FURTHER, HOWEVER, that the Bonds shall not be a debt of either the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor; and

FINALLY, all Bonds issued and secured under this Resolution are to be issued, authenticated and delivered, and all property, rights and interests, including, but not limited to, the amounts payable under the Loan Documents and any other amounts pledged by this Resolution are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in this Resolution, and the Corporation has agreed and covenanted, and agrees and covenants with the Trustee and with the Registered Owners of the Bonds as set forth in this Resolution.

To the fullest extent provided by the Act and other applicable laws, the money and property hereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

Section 5.2. Creation of Funds and Accounts. The following Funds and Accounts are created with the Trustee:

- (a) the Bond Proceeds Account;
- (b) the Loan Payment Fund (including the Interest Account and Principal Account thereof);
- (c) the Debt Service Fund;
- (d) the Excess Revenue Fund; and
- (e) the Debt Service Reserve Fund.

The Trustee shall hold and administer the Funds and Accounts in accordance with this Resolution.

Section 5.3. Bond Proceeds Account. Amounts deposited in the Bond Proceeds Account pursuant to Section 4.1 shall be applied to the financing of the acquisition of the Loans, as directed in writing by an Authorized Officer on the Closing Date.

Section 5.4. Loan Payment Fund.

(a) Deposit of Revenues. The Corporation shall pay all Revenues or cause all Revenues to be paid to the Trustee. All Revenues representing amounts received as interest on the Loans shall be deposited by the Trustee promptly upon receipt thereof in the Interest Account of the Loan Payment Fund and all Revenues representing amounts received as principal on the Loans shall be deposited by the Trustee promptly upon receipt thereof in the Principal Account of the Loan Payment Fund. There also shall be deposited in the applicable Account of the Loan Payment Fund amounts transferred thereto from the Excess Revenue Fund pursuant to Section 5.6(b) and from the Debt Service Reserve Fund pursuant to Section 5.7(b). There may also be deposited in the Loan Payment Fund, at the option of the Corporation, any other moneys, unless required to be otherwise applied as provided herein.

(b) By the third Business Day of each month, commencing in August 2014, the Trustee shall withdraw from the Loan Payment Fund and deposit into the following Funds the following amounts, in the following order of priority, the requirements of each such Fund (including the making up of any deficiencies in any such Fund resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(1) from the Interest Account of the Loan Payment Fund into the Debt Service Fund, an amount equal to the amount of interest due on the Bonds on the next Interest Payment Date;

(2) from the Principal Account of the Loan Payment Fund into the Debt Service Fund, an amount equal to (i) the amount set forth in the Amortization Schedule, plus (ii) the amount of any Prepayments received in the preceding calendar month (rounded down to the nearest \$1.00) to be applied to the payment of principal of the Bonds on the next Interest Payment Date upon the mandatory redemption thereof pursuant to Section 3.3;

(3) from the Interest Account of the Loan Payment Fund, all amounts therein, and from the Principal Account of the Loan Payment Fund, all amounts representing earnings on Investments on deposit therein, into the Debt Service Reserve Fund, the amount, if any, needed to increase the amount therein to the Debt Service Reserve Fund Requirement; and

(4) from the Interest Account of the Loan Payment Fund, all amounts therein, and from the Principal Account of the Loan Payment Fund, all amounts representing earnings on Investments on deposit therein, into the Excess Revenue Fund.

Section 5.5. Debt Service Fund. In addition to the amount deposited pursuant to Section 4.2, there shall be deposited in the Debt Service Fund amounts transferred thereto from

the Loan Payment Fund pursuant to Sections 5.4(b)(1) and (2). Amounts in the Debt Service Fund representing amounts deposited therein pursuant to Section 4.2 shall be used and withdrawn by the Trustee on July 15, 2014 solely for the purpose of paying the interest on the Bonds as the same shall become due and payable on such Interest Payment Date. Amounts in the Debt Service Fund representing amounts transferred thereto pursuant to Section 5.4(b)(1) shall be used and withdrawn by the Trustee on each Interest Payment Date, commencing August 15, 2014, solely for the purpose of paying the interest on the Bonds as the same shall become due and payable on such Interest Payment Date (including accrued interest on any Bonds redeemed prior to maturity). Amounts in the Debt Service Fund representing amounts transferred thereto pursuant to Section 5.4(b)(2) shall be applied by the Trustee to the redemption of Bonds in accordance with the provisions of Article III. There may also be deposited in the Debt Service Fund, at the option of the Corporation, any other moneys to be applied by the Trustee to the redemption of Bonds in accordance with the provisions of Article III.

Section 5.6. Excess Revenue Fund.

(a) Deposit of Excess Revenues and Other Amounts. There shall be deposited in the Excess Revenue Fund amounts transferred thereto from the Loan Payment Fund pursuant to Section 5.4(b)(4). There may also be deposited in the Excess Revenue Fund, at the option of the Corporation, any other moneys, unless required to be otherwise applied as provided herein.

(b) Transfers of Excess Revenues and Other Amounts. By the third Business Day of each month, commencing in August 2014, in the event that amounts in any Account of the Loan Payment Fund are insufficient to make the transfers described in Section 5.4(b), the Trustee shall transfer from the Excess Revenue Fund to such Account the amount of such insufficiency; provided, however, that the Corporation may instruct the Trustee not to transfer such amount from the Excess Revenue Fund pursuant to this subsection (b) so long as the Corporation shall have provided the Trustee with funds of the Corporation in an amount equal to the amount otherwise required to be transferred by the Trustee from the Excess Revenue Fund pursuant to this subsection (b).

In the event amounts in the Excess Revenue Fund are insufficient for the purpose of the transfer required pursuant to this subsection (b) (the amount of such insufficiency herein referred to as the “Excess Revenue Fund Deficiency”), the Corporation hereby covenants that it shall take all steps necessary to release excess revenues, if any, from the lien of the Open Resolution in order to provide funds to cure such Excess Revenue Fund Deficiency. Notwithstanding anything to the contrary contained herein, if the Corporation fails to meet the conditions for the release of excess revenues from the lien of the Open Resolution for any reason, including, but not limited to, an insufficiency of amounts in the Open Resolution Revenue Account or the inability of the Corporation to deliver a Cash Flow Statement (as defined in the Open Resolution) permitting such release, (I) the Corporation shall have no further obligation to provide funds to cure such Excess Revenue Fund Deficiency and (II) no Event of Default shall have occurred under this Resolution.

In the event the Corporation elects not to provide the Trustee with funds, and if the Corporation fails to meet the conditions for the release of excess revenues from the lien of the Open Resolution for any reason, in either case as described in the preceding paragraphs, the

Trustee shall transfer amounts from the Debt Service Reserve Fund to the applicable Account of the Loan Payment Fund, in accordance with Section 5.7(b).

(c) Release to the Corporation. On each April 15 and October 15, after providing for the transfers, deposits and payments to be made pursuant to Section 5.4(b) and subsection (b) of this Section 5.6 on such date, the Corporation may direct the Trustee to transfer, free and clear of the lien of this Resolution, amounts remaining on deposit in the Excess Revenue Fund in excess of one month's scheduled interest and principal payments due on all Loans to the Open Resolution Trustee for deposit in the Open Resolution Revenue Account.

Section 5.7. Debt Service Reserve Fund.

(a) Upon the issuance, sale and delivery of the Bonds, the Trustee shall deposit in the Debt Service Reserve Fund such amount as shall be at least sufficient to equal the Debt Service Reserve Fund Requirement, such amount to be provided by the Corporation pursuant to Section 4.3. Additional moneys may be deposited in the Debt Service Reserve Fund in accordance with Section 5.4(b)(3). There may also be deposited in the Debt Service Reserve Fund, at the option of the Corporation, any other moneys, unless required to be otherwise applied as provided herein.

(b) By the third Business Day of each month, commencing in August 2014, in the event that amounts in any Account of the Loan Payment Fund are insufficient to make the transfers described in Section 5.4(b), after giving effect to any amounts transferred to such Account from the Excess Revenue Fund pursuant to Section 5.6(b), the Trustee shall transfer from the Debt Service Reserve Fund to such Account the amount of such insufficiency; provided, however, that the Corporation may instruct the Trustee not to transfer such amount from the Debt Service Reserve Fund pursuant to this subsection (b) so long as the Corporation shall have provided the Trustee with funds of the Corporation in an amount equal to the amount otherwise required to be transferred by the Trustee from the Debt Service Reserve Fund pursuant to this subsection (b).

(c) On each April 15 and October 15, after providing for the payments to be made pursuant to Section 5.5 on such dates, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for the Bonds as of such Interest Payment Date and shall determine the amount, if any, in the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investments) in excess of such requirement, shall notify the Corporation of such excess amount and shall, unless otherwise instructed by the Corporation, transfer such excess amount from the Debt Service Reserve Fund to the Corporation free and clear of the lien of this Resolution.

(d) Notwithstanding anything to the contrary contained herein, at any time while the Bonds are Outstanding, the Corporation may provide to the Trustee one or more Cash Equivalents for deposit in the Debt Service Reserve Fund in an amount not exceeding the amount of the Debt Service Reserve Fund Requirement; provided, that such Cash Equivalents, as of the date of deposit, shall have no adverse effect on the ratings assigned to the Bonds. In the event any such Cash Equivalents are so provided in replacement of funds on deposit in the Debt Service Reserve Fund, the Trustee shall make such deposit and transfer funds in an equivalent

amount from the Debt Service Reserve Fund to the Corporation free and clear of the lien of this Resolution.

Section 5.8. Moneys to be Held in Trust. (a) Except for moneys deposited with or paid to the Trustee for the redemption of Bonds notice of the redemption of which has been duly given, all moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account will be held by the Trustee in trust and, while held by the Trustee, shall constitute part of the Trust Estate and be subject to the security interest created by this Resolution.

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

(c) All amounts deposited by the Trustee pursuant to subsection (b) above shall be continuously and fully secured (i) by lodging with the Trustee as custodian, as collateral security, Permitted Investments having a market value (exclusive of accrued interest) not less than the amount of such deposit, and (ii) in such other manner as may then be required by applicable Federal or state laws and regulations regarding security for the deposit of public funds. It shall not be necessary, unless required by applicable law, for the Trustee to give security under this Section 5.8 for the deposit of any amounts to the extent that such deposit is insured by the Federal Deposit Insurance Corporation, or its successor, or which are held in trust and set aside by the Trustee for the payment of any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations or certificates of deposit (of issuers other than the Trustee) purchased as an investment of such moneys.

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

Section 5.9. Records. The Trustee shall keep and maintain accurate records with respect to the Funds and Accounts. The Trustee shall file at least an annual accounting of the Funds and Accounts and the payment history on the Bonds and the Loans with the Corporation.

Section 5.10. Reports by the Trustee. The Trustee shall, on or before the tenth (10th) day of each month, file with the Corporation a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred and the amount deposited within or on account of each Fund and Account under this Resolution, including the amount of Investment Income on each Fund and Account transferred to the Interest Account;

(b) the amount on deposit at the end of such month to the credit of each Fund and Account;

(c) a brief description of all obligations held as an investment of moneys in each Fund and Account;

(d) the amount applied to the redemption of Bonds and a description of the Bonds or portions of Bonds so redeemed; and

(e) any other information which the Corporation may reasonably request.

No monthly statement for a Fund or Account need be rendered if no activity occurred in that Fund or Account during such month. Upon the written request of any Bondholder owning twenty-five percent (25%) or more in aggregate principal amount of Bonds then Outstanding, the Trustee shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate will be open at all reasonable times during regular business hours of the Trustee to the inspection and audit of the Corporation and its agents and representatives upon reasonable prior notice.

Section 5.11. Moneys Held for Particular Bonds. The amounts held by the Trustee for payment of the interest, premium, if any, principal or Redemption Price due on any date with respect to particular Bonds, pending such payment, will be set aside and held in trust by the Trustee for the Bondholders entitled to such payment. For the purposes of this Resolution such interest, premium, principal or Redemption Price, after the due date of payment, will no longer be considered to be unpaid.

Section 5.12. Nonpresentment of Bonds. In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, amounts held by the Trustee for the payment of such Bond shall be disposed of as provided by applicable law, or, if there shall be no such applicable law, shall be returned to the Corporation three (3) years after the date on which payment of such amounts would have been due.

Section 5.13. Disposition of Remaining Moneys. Any amounts remaining in the Funds and Accounts held by the Trustee under this Resolution after payment in full of the principal of and interest and any premium on all Bonds will be applied to pay (i) first, to the person or persons entitled to be paid, all other unpaid amounts required to be paid under this Resolution, and (iii) second, to the Corporation, free and clear of the lien of this Resolution.

ARTICLE VI

INVESTMENTS

Section 6.1. Investment Limitations. (a) Monies in any Fund or Account that are pledged pursuant to this Resolution shall be continuously invested and reinvested by the Trustee, in the highest yield Permitted Investments that may be reasonably known to the Trustee, or deposited and redeposited as provided in Section 5.8, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Corporation shall consult with the Trustee from time to time as to the investment of amounts in the Funds and Accounts established or confirmed by this Resolution. The Corporation may direct the Trustee to, or in the absence of direction, the Trustee shall, invest and reinvest the monies in any Fund or Account in Permitted Investments so that the maturity date or date of redemption at the option of the owner thereof shall coincide as nearly as practicable with (but in no event later than) the times at which monies are needed to be expended. The Permitted Investments purchased shall be held by the Trustee, or for its account as Trustee and shall be deemed at all times to be part of such Fund or Account, and the Trustee shall keep the Corporation advised as to the details of all such investments. Subject to the provisions of Section 6.2, the Trustee shall not be liable or responsible for any loss resulting from such investments.

(b) Permitted Investments purchased as an investment of monies in any Fund or Account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such Fund or Account but the Investment Income therefrom shall, (i) with respect to an Account of the Loan Payment Fund, be retained therein and reinvested, (ii) with respect to the Debt Service Fund, be deposited in the Excess Revenue Fund from time to time and reinvested, and (iii) with respect to the Excess Revenue Fund, be released to the Corporation on each April 15 and October 15, after giving effect to any amounts transferred from the Excess Revenue Fund pursuant to Section 5.6(b) on such dates, free and clear of the lien of this Resolution, in any case except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Permitted Investment, which shall be retained in the particular Fund or Account for which the Permitted Investment was purchased.

(c) To the extent permitted by law, the Trustee may commingle any amounts on deposit in the Funds and Accounts held under this Resolution for the purpose of purchasing Permitted Investments. However, the Trustee shall maintain and keep separate accounts of such Funds and Accounts at all times.

(d) The Trustee shall sell at the best price obtainable, or present for redemption or exchange, any Permitted Investment purchased by it pursuant to this Resolution whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made.

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

(f) Notwithstanding anything to the contrary contained herein, any Permitted Investments purchased by the Trustee with funds that are pledged pursuant to this Resolution must, as of the date of such purchase, be rated by the Rating Agency in a category at least equal to the rating category of the Bonds (or “A-1+” or “P-1”, as applicable if the Permitted Investment has a remaining term at the time it is provided not exceeding one year); provided, however, that the Trustee may purchase Permitted Investments that are rated lower than that set forth above, so long as the purchase of such Permitted Investments does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds by the Rating Agency.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

Section 7.1. The Corporation's Representations and Warranties. The Corporation represents and warrants that:

(a) The Corporation is a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State created by and pursuant to the Act.

(b) This Resolution has been duly adopted and constitutes a valid and binding agreement of the Corporation, enforceable in accordance with its terms, except as such enforcement may be limited by the rights and remedies of creditors or by general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(c) The Corporation has complied with all provisions of the Constitution and laws of the State, including the Act, and has full power and authority to (i) adopt this Resolution and issue, sell and deliver the Bonds to the Underwriter, (ii) acquire the Loans and (iii) pledge the Trust Estate as set forth in this Resolution for the benefit of the Bondholders, to secure the payment of the principal of and interest and any premium on the Bonds in accordance with the terms and provisions of this Resolution and the Bonds.

(d) All actions on the part of the Corporation for (i) the adoption and delivery of this Resolution providing for the issuance of and security for the Bonds, (ii) the issuance, sale and delivery of the Bonds upon the terms set forth in this Resolution, (iii) the acquisition of the Loans and (iv) the due performance of this Resolution and the execution, delivery, receipt and due performance of the Bonds have been or will be taken duly and effectively.

(e) On or prior to the Closing Date, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the transactions contemplated by this Resolution will have been duly obtained; and all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Corporation of its obligations under this Resolution have been duly obtained or, where required for future performance, are expected to be obtained.

(f) The Bonds shall be special revenue obligations of the Corporation payable solely from the Trust Estate.

Section 7.2. The Corporation's Covenants. In addition to all other covenants and agreements of the Corporation contained in this Resolution, the Corporation further covenants and agrees with the Bondholders and the Trustee as follows:

(a) The Corporation shall comply with the provisions of Section 5.6(b), subject to the limitations contained therein.

(b) The Corporation shall comply with the provisions of Sections 8.1(e) and (f), subject to the limitations contained in therein.

(c) Except as provided in subsection (f) of this Section 7.2 or in Article XII, the Corporation shall not alter, modify or cancel, or agree to alter, modify or cancel, any agreement which relates to or affects the Trust Estate.

(d) Except as otherwise provided in this Resolution or the Loan Documents, the Corporation shall not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Trust Estate or create or authorize to be created any debt, lien or charge thereon.

(e) The Corporation shall comply with the provisions of the Continuing Disclosure Agreement.

(f) The Corporation shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Loans consistent with sound banking practices and principles, including the prompt collection of all Loan Repayments and all other amounts due the Corporation thereunder. The Corporation shall service each Loan or appoint a Servicer for such Loan, and if it appoints a Servicer shall enter into a Servicing Agreement with respect thereto, effective not later than the date of delivery of such Loan. The Corporation or such Servicer shall service each Loan in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other standards as are required to maintain the REMIC Insurance with respect to such Loan. The Corporation shall not without good cause release the obligations of any Borrower under any of the applicable Loan Documents, or of the Servicer under the Servicing Agreement, and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Corporation, the Trustee and the Bondholders under or with respect to the Loan Documents securing the Loans, and any Servicing Agreement relating thereto; provided, however, that nothing in this Section 7.2(f) shall be construed to prevent the Corporation from settling or working-out a default on any Loan, or modifying the terms of any Loan (regardless of whether such Loan is in default), on such terms as the Corporation shall determine to be in the best interests of the Corporation and the Bondholders; provided further, however, that, with respect to any Loan (regardless of whether such Loan is in default), (i) the date of maturity of such Loan shall not be extended and (ii) the rate of interest due on such Loan shall not be reduced below the sum of (x) the rate of interest due on the Bonds, plus (y) the amount of Servicing Fees applicable to such Loan, plus (z) the amount of REMIC Insurance premiums applicable to such Loan.

(g) In connection with the receipt of any Prepayment, the Corporation shall amend the Amortization Schedule and deliver such amended Amortization Schedule to the Trustee.

(h) The Corporation shall not voluntarily sell, assign, endorse or otherwise dispose of any Loan or any part thereof (other than a sale, assignment, endorsement or other disposition

required pursuant to this Resolution or made when, in the sole judgment of the Corporation, such Loan is in default).

Section 7.3. Limitations on Liability. Notwithstanding any other provision of this Resolution to the contrary:

(a) The Bonds shall be special revenue obligations of the Corporation payable solely from the Trust Estate.

(b) Nothing contained in the Bonds or in this Resolution shall be considered as assigning or pledging any funds or assets of the Corporation other than the Trust Estate.

(c) The Bonds shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor.

(d) No failure of the Corporation to comply with any term, condition, covenant or agreement in this Resolution or in any document executed by the Corporation in connection with the Mortgaged Property or the issuance, sale and delivery of the Bonds shall subject the Corporation to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate.

(e) The Corporation shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Resolution or any of the other Transaction Documents, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or otherwise.

Section 7.4. Further Assurances; Security Agreement. The Corporation, to the extent permitted by law, shall execute, acknowledge and deliver such instruments and documents, and perform such further acts, as the Trustee may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee all of its respective interest in the property described in this Resolution and the revenues, receipts and other amounts pledged by this Resolution. The Corporation shall cooperate to the extent necessary with the Trustee in its defenses of the Trust Estate against the claims and demands of all Persons. In addition to the pledge by the Corporation of its rights in the Trust Estate to the Trustee, the Corporation hereby acknowledges that in order to more fully protect, perfect and preserve the rights of the Trustee in the Trust Estate, the Corporation grants to the Trustee a security interest in the Trust Estate and the proceeds thereof.

Section 7.5. Enforcement. The Corporation may enforce against the Borrowers or any other Person any rights of the Corporation under the Loan Documents. At the request of the Trustee, the Corporation, upon being indemnified to its reasonable satisfaction against all liability, costs and expenses which may be incurred in connection with such enforcement, shall in its name commence legal action or take such other actions as the Trustee reasonably requests to enforce the rights of the Corporation or the Trustee under or arising from the Bonds or the Bond Documents.

ARTICLE VIII

REMIC INSURANCE

Section 8.1. Enforcement and REMIC Insurance.

(a) The Corporation shall be solely responsible to prepare and submit such documents and take such other actions as are necessary to effectuate the payment to the Trustee of the REMIC Insurance Proceeds, as set forth in this Article VIII. Upon receipt of REMIC Insurance Proceeds, the Trustee shall deposit such proceeds in the applicable Account of the Loan Payment Fund in accordance with Section 5.4(a).

(b) The Corporation shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Mortgages, including the prompt collection of Loan Repayments.

(c) The Corporation shall do all that is necessary to obtain and maintain the REMIC Insurance and shall not amend this Resolution in a manner that conflicts with REMIC regulations or documents.

(d) Whenever it shall be necessary to protect and enforce the rights of the Corporation under a Mortgage securing a Loan and to protect and enforce the rights and interests of Bondholders under this Resolution, the Corporation shall do all things necessary to enforce its rights under the REMIC Insurance and to receive payment of any claims thereon in cash.

(e) With respect to any Loan insured with REMIC Insurance, if any Loan Repayment is not made in the full amount due and the Loan Repayment is not made by the forty-fifth (45th) day following the due date thereof (“Grace Period”), then the Corporation shall notify REMIC within the Grace Period of such payment default and provide various additional notices required by REMIC during the period of default.

(f) With respect to any Loan insured with REMIC Insurance, if the Borrower fails to pay a total aggregate amount equal to four (4) regular monthly payments of principal and interest, and any escrow payments due under the terms of such Loan, disregarding any waivers or extensions by the Corporation (termed a “Four Months in Default” under the REMIC Insurance policy), and assuming the notices described in subsection (e) above have been timely submitted and other preconditions have been met, the Corporation may make a claim for REMIC Insurance benefits. In the event any Loan insured with REMIC Insurance becomes Four Months in Default, the notices described in subsection (e) above having been timely submitted and other preconditions having been met, and amounts having been transferred from the Debt Service Reserve Fund pursuant to Section 5.7(b) as a result of such Loan being Four Months in Default, the Corporation shall make a claim for REMIC Insurance benefits.

(g) Unless a Loan described in subsection (f) above is purchased by REMIC, or a periodic payment plan or lump sum payment plan has been executed, as provided for in the REMIC Insurance, the Corporation shall, pursuant to the REMIC Insurance policy, commence proceedings to obtain title to the Development when such Loan becomes Four Months in Default (although the Corporation may commence such proceedings upon any default); provided,

however, upon consent of REMIC and satisfaction of certain other conditions, actions, including foreclosure proceedings, may be undertaken in which title to the Development will pass to a third party.

ARTICLE IX

DISCHARGE OF LIEN

Section 9.1. Discharge of Lien and Security Interest.

(a) Discharge. Upon satisfaction of the conditions set out in subsection (b) below, the Trustee shall (i) cancel and discharge this Resolution and the pledge of the Trust Estate, (ii) execute and deliver to the Corporation such instruments in writing prepared by the Corporation or its counsel and provided to the Trustee as may be required to cancel and discharge this Resolution and the pledge of the Trust Estate, and (iii) reconvey, assign and deliver to the Corporation so much of the Trust Estate as may be in its possession or subject to its control (except for moneys and Government Obligations held for the purpose of paying Bonds).

(b) Conditions to Discharge. The conditions precedent to the cancellation and discharge of this Resolution and the other acts described in subsection (a) above are: (i) payment in full of the Bonds; (ii) payment of the Trustee's ordinary costs and expenses under this Resolution; (iii) payment of all Extraordinary Items; (iv) receipt by the Trustee of a written statement from the Corporation stating that all amounts owed to the Corporation in respect of Reserved Rights have been fully paid; and (v) receipt by the Trustee of an Opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of this Resolution have been satisfied.

(c) Survival of Rights and Powers. The Reserved Rights of the Corporation and the rights and powers granted to the Trustee with respect to the payment, transfer and exchange of Bonds shall survive the cancellation and discharge of this Resolution.

Section 9.2. Payments of Outstanding Amounts. If the Bonds are paid in full, but any one or more of the other conditions precedent set out in Section 9.1(b) are not satisfied because an amount has not been paid, the Trustee, prior to cancellation and discharge of this Resolution, shall pay from the Trust Estate to the persons listed below, in the strict order set out below, the amounts required to satisfy those conditions precedent:

(a) Trustee's Costs and Expenses. If any portion of the Trustee's ordinary costs and expenses of the Trustee remain unpaid, the Trustee shall first pay to itself so much of the Trust Estate as will fully pay such unpaid amounts. If any Extraordinary Items have not been paid to the Trustee, the Trustee shall then pay to itself so much of the remaining Trust Estate as will fully pay all amounts owing to the Trustee for Extraordinary Items.

(b) The Corporation. If the Trustee receives a written statement from the Corporation stating that moneys are owed to the Corporation in respect of the Reserved Rights, the Trustee shall pay to the Corporation so much of the remaining Trust Estate as will fully pay all amounts owing to the Corporation in respect of the Reserved Rights.

Section 9.3. Defeasance.

(a) Provision for Payment of Bonds. Any Bond will be deemed paid within the meaning of Section 9.1 if each of the conditions set out in this Section 9.3 is satisfied:

(1) The Corporation deposits with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on the Maturity Date or a Redemption Date prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by this Resolution have been given or irrevocable power authorizing the Trustee to give such redemption notices.

The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

(b) Defeased Bonds No Longer Outstanding. At such times as a Bond is deemed to be paid under this Resolution, it will no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of payment in accordance with this Resolution.

(c) Release of Certain Income. All income from all Government Obligations in the hands of the Trustee pursuant to this Section 9.3 which is identified by an independent certified public accountant as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited by the Trustee as and when realized and collected in Excess Revenue Fund.

(d) Particular Bonds. Notwithstanding any other provision of this Resolution to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article IX for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES

Section 10.1. Events of Default; Preliminary Notice.

(a) Events of Default. Each of the following constitutes an Event of Default under this Resolution:

(1) default in the payment when due and payable of any interest due on any Bond; or

(2) default in the payment when due and payable of the principal of on any Bond at maturity or upon any redemption; or

(3) default in the observance or performance of any covenant, agreement, warranty or representation on the part of the Corporation included in this Resolution or in the Bonds (other than an Event of Default set forth in paragraph (1) or (2) above) and the continuance of such default for a period of sixty (60) days after written notice of the default from the Trustee to the Corporation; or

(4) an Act of Bankruptcy.

(b) Preliminary Notice. The Trustee shall promptly notify the Corporation after the Trustee obtains knowledge or receives notice of the occurrence of an Event of Default under this Resolution or an event which would become such an Event of Default with the passage of time, the giving of notice or both, identifying the paragraph in subsection (a) above under which the Event of Default has occurred or may occur.

Section 10.2. Acceleration.

(a) Acceleration. Upon the occurrence of any Event of Default under this Resolution, the Trustee may, and upon the written request of Bondholders owning not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, must, by written notice to the Corporation, declare the principal of all Bonds and the interest accrued and to accrue on the Bonds to the date of payment, immediately due and payable.

(b) Notice. Upon any decision to accelerate payment of the Bonds, the Trustee shall notify the Bondholders of the declaration of acceleration, that interest on the Bonds will cease to accrue upon such declaration, and that payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee's option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner's last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

Section 10.3. Other Remedies. Upon the occurrence and continuance of an Event of Default under this Resolution, the Trustee may, with or without taking action under Section 10.2, pursue any of the following remedies:

(1) an action in mandamus or other suit, action or proceeding at law or in equity (A) to enforce the payment of the principal of and interest and any premium on the Bonds, (B) for the specific performance of any covenant or agreement contained in this Resolution or (C) to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; or

(2) an action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Corporation allowed in any bankruptcy or other proceeding.

The Trustee shall exercise such of the rights and powers conferred by this Section 10.3 as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders.

Section 10.4. Preservation of Security and Remedies; Rights of Bondholders. Subject to Section 10.2(a), upon an Event of Default, the Trustee may proceed, and upon the written request of the holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Bonds Outstanding and the receipt of indemnity reasonably satisfactory to the Trustee, shall proceed, to protect and enforce its rights and the rights of the Bondholders under this Resolution by such suits, actions or special proceedings in equity or at law, whether for the specific performance of any covenant or agreement, or in aid of the execution of any power granted in this Resolution or by the Act, or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by counsel, deems most effective to protect and enforce such rights or to perform any of its duties under this Resolution.

Section 10.5. Remedies Not Exclusive; Delay or Omission. No right or remedy conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy will be cumulative and in addition to any other right or remedy given to the Trustee or to the Bondholders under this Resolution or now or later existing at law or in equity. No delay or omission to exercise any right or remedy provided in this Resolution will impair any such right or remedy or be construed to be a waiver of any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

Section 10.6. Waiver. Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) and Bondholders owning not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the Trustee, any default or Event of Default under this Resolution and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

(a) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds, has been paid or provided for in Available Moneys and all fees and expenses of the Trustee have been paid or provided for; and

(b) that such waiver will be permitted if (i) the Corporation consents to the waiver, (ii) the Rating Agencies then rating the Bonds are notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) Bondholders owning not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Corporation, the Trustee and the Bondholders will be restored to their former positions and rights under this Resolution. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

Section 10.7. Rights of the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, the Corporation and Trustee.

(a) Rights to Direct Proceedings. Notwithstanding anything contained in this Resolution to the contrary, the Bondholders owning not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution or any other proceedings under this Resolution, provided, however, that such direction will not be otherwise than in accordance with the provisions of law and of this Resolution, and provided that the Trustee will be indemnified to its reasonable satisfaction (except for actions required under Section 10.2(b)).

(b) Limitations on Bondholders' Rights. No Bondholder has or shall have the right to enforce the provisions of this Resolution, or to institute any proceeding in equity or at law for the enforcement of this Resolution, or to take any action with respect to an Event of Default under this Resolution, or to institute, appear in or defend any suit or other proceeding with respect to this Resolution upon an Event of Default unless (i) such Bondholder has given the Trustee and the Corporation, written notice of the Event of Default, (ii) the holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (iii) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (iv) the Trustee has been offered reasonable indemnity, where required, and (v) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under this Resolution.

Section 10.8. Discontinuance of Proceedings. If the Trustee or any Bondholder has instituted any proceeding or remedy under this Resolution, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every

such case the Corporation and the Trustee will be restored to their former positions and rights under this Resolution, and all rights, remedies, powers, duties and obligations of the Corporation, and the Trustee shall continue as if no such proceedings had been taken, subject to the limits of any adverse determination.

Section 10.9. Possession of Bonds. All rights under this Resolution or upon any of the Bonds enforceable by the Trustee may be enforced by the Trustee without the possession of any of the Bonds, or the production of the Bonds at trial or other proceedings. Any suit, action or proceeding instituted by the Trustee may be brought in its name for itself or as representative of the Bondholders without the necessity of joining Bondholders as parties, and any recovery resulting from such proceedings shall, subject to Section 10.10, be for the ratable benefit of the Bondholders.

Section 10.10. Application of Moneys. All moneys received by the Trustee pursuant to any action taken under this Article X shall be deposited into applicable Account of the Loan Payment Fund in accordance with Section 5.4(a) after payment of the ordinary costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the Mortgaged Property, shall be applied as follows:

(a) Principal on Bonds Not Declared Due and Payable. Unless the principal on all Bonds has become or been declared due and payable, all such moneys will be applied:

First - to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

Second - to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to this Resolution), in the order of due dates, with interest upon the principal amount of the Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege;

Third - to the payment of amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

(b) Principal of Bonds Declared Due and Payable. If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied, first, to the payment of the principal and interest then due and unpaid upon the 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 Bond over any other Bond, ratably according to

the amounts due respectively for principal and interest to the persons entitled to payment, until all such principal and interest has been paid, and second, to any other amounts due and payable under this Resolution.

(c) General. Whenever moneys are to be applied pursuant to this Section 10.10, such moneys shall be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application, the likelihood of additional moneys becoming available for such application in the future, and potential expenses relating to the exercise of any remedy or right conferred on the Trustee by this Resolution. Whenever the Trustee applies such moneys, it shall fix the date (which will be an Interest Payment Date unless it deems an earlier date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue, unless interest has already ceased to accrue in accordance with Section 10.2(b). The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

ARTICLE XI

THE TRUSTEE

Section 11.1. Appointment of Trustee; Duties. The Trustee is appointed and agrees to act in such capacity and to perform the duties of the Trustee under this Resolution upon the express terms and conditions of this Resolution.

(a) Attorneys, Agents or Receivers. The Trustee may execute any of its trusts or powers under this Resolution and perform any of its duties by or through attorneys, agents or receivers. The Trustee shall be entitled to advice of counsel concerning all matters of trust under this Resolution and its duties under this Resolution. The Trustee may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Trust Estate for all such compensation paid. The Trustee may act upon the opinion or advice of counsel, accountants, or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice which is not contrary to the terms of this Resolution or any other Bond Document.

(b) Limitation of Responsibility. The Trustee shall not be responsible for any recital in this Resolution or in the Bonds (other than in the certificates of authentication on the Bonds), or for insuring the Mortgaged Property, or for the sufficiency of any insurance, or for collecting any insurance moneys, or for the validity of this Resolution or of any supplements to this Resolution or instruments of further assurance, or for the sufficiency of the security for the Bonds issued under this Resolution or intended to be secured by this Resolution, or for the value or condition of or title to the Mortgaged Property or the Trust Estate. The Trustee may require (but shall be under no duty to require) of the Borrowers full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the Mortgaged Property. The Trustee shall not be liable for any loss suffered in connection with any investment of amounts made by it in accordance with this Resolution. The Trustee is not accountable for the use (i) of any Bonds delivered in accordance with instructions of the Corporation or (ii) for the use or application of any moneys paid out by the Trustee in accordance with this Resolution.

(c) Reliance. The Trustee shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Resolution or any other Bond Document. Any action taken by the Trustee pursuant to this Resolution upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

(d) Right Not Duty until Undertaken. The permissive right of the Trustee to do things enumerated in this Resolution or the other Bond Documents to which the Trustee is a party shall not be construed as duties until specifically undertaken by the Trustee.

(e) No Personal Liability. The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the Mortgaged Property.

(f) No Bond or Surety Required. The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers or otherwise in respect of the premises.

(g) Security or Indemnity Bond. Before taking any action requested by Bondholders under Article X (except for acceleration of the Bonds), the Trustee may require reasonably satisfactory security or an indemnity bond reasonably satisfactory to it from such Bondholders for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct by reason of any such action so taken.

(h) Not Bound to Inquire. The Trustee is not required to take notice or deemed to have notice of any default or Event of Default under this Resolution, except Events of Default under Section 10.1(a)(1) or (2), unless the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Corporation or the holders of at least twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists. The Trustee may nevertheless require the Corporation to furnish information regarding performance of their respective obligations under the Loan Documents and this Resolution, but is not obligated to do so.

(i) Standard of Care. Prior to an Event of Default under this Resolution, the Trustee shall only be responsible for the performance of the duties expressly set forth in this Resolution and in the other Bond Documents to which it is a party and no implied duties or covenants on the part of the Trustee shall be read into this Resolution or such Bond Documents and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of those express duties. The Trustee, during the existence and continuation of any Event of Default under this Resolution, shall exercise such of the rights vested in it by this Resolution and in the other Bond Documents to which it is a party, and use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of its own affairs. The foregoing will not limit the Trustee's obligations under Section 10.2(a).

(j) Authority to Execute. The Trustee is authorized and directed by the Corporation to execute or accept and acknowledge and to perform its obligations hereunder, as applicable, in its capacity as Trustee.

(k) No Disclosure Responsibility. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum

or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee.

(l) No Financial Obligation. No provision of this Resolution shall require the Trustee to perform any act which would involve expense or liability or to institute or defend any suit in respect hereof, or risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under this Resolution.

(m) No Liability for Directions. The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Bondholders pursuant to this Resolution except for the Trustee's own negligent action, its own negligent failure to act, or its own willful misconduct.

(n) No Liability for the Corporation. The Trustee shall not be responsible for the actions or omissions of the Corporation and shall have no duty or responsibility to monitor the performance of the Corporation.

(o) Books, Records and Accounts. The Trustee, on behalf of the Corporation, shall keep and maintain, or cause to be kept and maintained, proper books, records and accounts in which complete and accurate entries shall be made of all of its transactions relating to the Bonds, this Resolution, the Loan Documents, the Loans, the Funds and Accounts, Permitted Investments and Investment Income, all of which, at all reasonable times, and upon reasonable prior notice, will be subject to the inspection and audit by the Corporation and Bondholders owning not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding or any of their accountants or agents duly authorized in writing, each of whom will have the right, at its expense, to make copies of any such books of record and accounts.

(p) List of Bondholders. The Trustee shall keep the Bond Register available for inspection by any Bondholder or its attorney duly authorized in writing during normal business hours upon reasonable prior notice.

Section 11.2. Qualification. The Trustee and any successor Trustee shall at all times be a trust company or commercial bank, which shall be a federal depository institution or a state-chartered depository institution, having the powers of a trust company within or outside the State, having capital, surplus and undivided profits aggregating at least \$100,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

Section 11.3. Fees; Expenses. The Trustee is entitled to payment and reimbursement for reasonable fees for its ordinary services rendered under this Resolution and its ordinary costs and expenses reasonably incurred in connection with its services under this Resolution. In the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to Extraordinary Items; provided, however, that if such Extraordinary Items are incurred as a result of the negligence or willful misconduct of the Trustee, it will not be entitled to compensation or reimbursement for such services or expenses. The Trustee recognizes that all fees, charges and other compensation to which it may be entitled under this Resolution are

required to be paid by the Corporation from its own funds and not from Revenues or other amounts held by the Trustee under this Resolution.

Section 11.4. Merger; Consolidation. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation, provided such corporation or association otherwise qualifies under Section 11.2, shall be and become the successor Trustee under this Resolution with all the estates, properties, rights, powers and duties of the predecessor Trustee without the execution or filing of any instrument or any further act, deed or conveyance (other than the provision of notice to the Corporation and the Rating Agency).

Section 11.5. Resignation or Removal of Trustee. The Trustee may resign only upon giving sixty (60) days prior written notice to the Corporation and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register. The Trustee may be removed at any time upon thirty (30) days prior written notice to the Trustee, (i) by the Corporation or (ii) by the owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding. Such resignation or removal shall not be effective until a successor Trustee satisfying the requirements of Section 11.2 is appointed and has accepted its appointment.

Section 11.6. Appointment of Successor Trustee. Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of Section 11.2, shall be appointed by the Corporation. If, in the case of resignation or removal of the Trustee, no successor is appointed within thirty (30) days after the notice of resignation or within thirty (30) days after removal, as the case may be, then the resigning or removed Trustee shall appoint a successor with the prior written consent of the Corporation or apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under this Resolution. The successor Trustee shall give notice of such succession by first-class mail, postage prepaid, to each Bondholder and to the Corporation and the Rating Agency.

Section 11.7. Transfer of Rights and Mortgaged Property to Successor Trustee. The successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of the predecessor Trustee, but the former Trustee shall nevertheless, on the written request of the Corporation, or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for more fully and certainly vesting and confirming in the successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in this Resolution. Should any deed, conveyance or instrument in writing from the Corporation be required by the successor Trustee for more fully and certainly vesting in and confirming to the successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, shall, on request, and as may be authorized by law, be executed, acknowledged and delivered by the Corporation.

Section 11.8. Power To Appoint Co-Trustees and Separate Trustees.

(a) Appointment of Co-Trustees. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Mortgaged Property is located, the Corporation shall have the power, to appoint one or more persons approved by the Trustee either to act as co-trustee jointly with the Trustee or as separate trustee of all or any part of the Mortgaged Property, and to vest in such person, in such capacity, such title to the Mortgaged Property or any part of it, and/or such rights, powers, duties, trusts or obligations as the Corporation and the Trustee may consider necessary or desirable. If the Corporation is in default under this Resolution, the Trustee alone will have the power to make such appointment. The Corporation shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

(b) Effect of Death, Incapacity, Resignation or Removal of Co-Trustee or Separate Trustee. In case any co-trustee or separate trustee dies, becomes incapable of acting, resigns or is removed, the pledge of the Trust Estate and all rights, powers, trusts, duties and obligations of the co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee is appointed in the same manner as provided in subsection (a) above.

(c) Approval of the Corporation. No co-trustee or separate trustee may assume its duties under this Resolution without the prior written approval of the Corporation, unless the Corporation is in default under this Resolution or has failed to respond timely as otherwise provided in this Article XI.

ARTICLE XII

SUPPLEMENTAL RESOLUTIONS; AMENDMENTS

Section 12.1. Supplemental Resolutions Not Requiring Bondholder Consent. The Corporation, without the consent of or notice to any Bondholder, may amend this Resolution or resolutions supplemental to this Resolution for one or more of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision contained in this Resolution or in any supplemental resolution which may be defective or inconsistent with any other provision contained in this Resolution or in any supplemental resolution;

(b) to amend, modify or supplement this Resolution in any respect if, in the judgment of the Trustee, such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;

(c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under this Resolution;

(d) to modify, amend or supplement this Resolution in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;

(e) to appoint a successor trustee, separate trustee or co-trustee, or a separate bond registrar or paying agent; or

(f) to make any changes in this Resolution or in the terms of the Bonds necessary or desirable in order to maintain the rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental resolution will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds, the Trustee shall accept any such supplemental resolution.

Section 12.2. Supplemental Resolutions Requiring Bondholder Consent. The Corporation may, with the consent of Bondholders owning not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, from time to time, adopt resolutions supplemental to this Resolution for the purpose of modifying or amending any of the provisions of this Resolution provided, however, that nothing in this Section 12.2 permits, or shall be construed as permitting:

(a) an extension of the maturity of the principal of or interest on, or the mandatory redemption date of, any Bond, without the consent of the owner of such Bond;

(b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the owner of such Bond;

(c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the owners of all such Bonds;

(d) the creation of a lien prior to or on parity with the lien of this Resolution, without the consent of the owners of all of the Bonds then Outstanding;

(e) a change in the percentage of Bondholders necessary to waive an Event of Default under this Resolution or otherwise approve matters requiring Bondholder approval under this Resolution, including consent to any supplemental resolution, without the consent of the owners of all the Bonds then Outstanding;

(f) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution, without the consent of the holders of all of the Bonds then Outstanding;

(g) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under this Resolution, without the consent of the holders of all of the Bonds then Outstanding; or

(h) the amendment of this Section 12.2, without the consent of the holders of all of the Bonds then Outstanding.

Notice of any amendment pursuant to this Section 12.2 shall be given to the Bondholders promptly following the adoption thereof.

Section 12.3. Notice to and Consent of Bondholders. If consent of the Bondholders is required for any supplement, amendment or modification to this Resolution or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first-class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond will be binding on any transferee and successor transferees of such Bond.

Section 12.4. Opinions of Counsel. Subject to the provisions of Section 11.1, the Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to this Resolution is authorized or permitted by the provisions of this Resolution.

Section 12.5. Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any supplemental resolution pursuant to the provisions of this Article may bear a notation, in form approved by the Trustee and the Corporation as to any matter provided for in such supplemental resolution, and if such

supplemental resolution so provides, new Bonds, so modified as to conform, in the opinion of the Trustee and the Corporation, to any modification of this Resolution contained in any such supplemental resolution, may be prepared by the Corporation, authenticated by the Trustee and delivered without cost to the Bondholders, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Consents, Etc., of Bondholders. Any consent, request, direction, or other instrument required to be signed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed by any Bondholder in person or by an authorized agent appointed in writing. The fact and date of the execution by any person of any such request, consent, direction, approval, objection or other instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer its execution, or by an affidavit of any witness to such execution. Such proof of execution or of the writing appointing any agent will be sufficient for any of the purposes of this Resolution and will be conclusive in favor of the Trustee with regard to any action taken by it under such consent, request or direction. In the event that the Trustee receives conflicting directions from two groups of Bondholders, each with combined holdings of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, the directions given by the group of Bondholders which hold the largest percentage of Bonds Outstanding will be controlling and the Trustee shall follow such directions as elsewhere required in this Resolution.

Section 13.2. Limitation of Rights. With the exception of rights expressly conferred in this Resolution, nothing in this Resolution or in the Bonds expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Trustee and the owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Trustee and the owners of the Bonds.

Section 13.3. Severability. If any provision of this Resolution is held to be in conflict with any applicable constitution or statute or rule of law, or is otherwise held to be unenforceable for any reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other part or circumstance, or of rendering any other provision or provisions contained in this Resolution invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections of this Resolution will not affect the remaining portions of this Resolution.

Section 13.4. Notices. Unless otherwise specified in this Resolution, it shall be sufficient service or giving of any notice, request, certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery, or sent by Electronic Means which produces evidence of transmission, confirmed by first-class mail, postage prepaid, and in each case will be deemed to have been given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a different address is given by any party as provided in this Section 13.4, all such communications will be addressed as follows:

To the Corporation:	New York City Housing Development Corporation 110 William Street, 10th Floor New York, New York 10038 Attention: President with a copy to: New York City Housing Development Corporation 110 William Street New York, New York 10038 Attention: General Counsel
To the Trustee:	The Bank of New York Mellon 101 Barclay Street, Floor 7W New York, New York Attention: NY Municipal Financing Unit
To the Rating Agencies:	Standard & Poor’s Ratings Services 55 Water Street, 38th Floor New York, NY 10041 Attention: Public Finance Surveillance Group Moody’s Investor Services 250 Greenwich Street New York, New York 10007 Attention: Moody’s Municipal Structured Products Surveillance Group

By notice given under this Resolution, any entity whose address is listed in this Section 13.4 may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity will be required to be sent to more than two addresses. All approvals required under this Resolution will be given in writing.

Section 13.5. Notice to Rating Agency. At any time that the Bonds are rated by a Rating Agency, the Corporation shall give notice by mail or Electronic Means to that Rating Agency at its address (as specified in Section 13.4) promptly upon the occurrence of any of: (i) the appointment of any successor trustee or separate trustee or co-trustee, (ii) any amendment of or supplement to this Resolution, (iii) a redemption, acceleration or defeasance of the Bonds in whole or in part (other than any mandatory redemption in respect of Loan Repayments), and (iv) a draw on the Debt Service Reserve Fund pursuant to Section 5.7(b). Notwithstanding the foregoing, it is expressly understood and agreed that failure to provide any such notice to any Rating Agency or any defect in any such notice will not affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action.

Section 13.6. Action Required to be taken on a Non-Business Day. If the date for making any payment or any date on which action is required to be taken is not a Business Day,

then any action required to be taken or any payment required to be made may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date otherwise provided for in this Resolution and, in the case of any payment date, no interest shall accrue to such next succeeding Business Day.

Section 13.7. Binding Effect. From and after the Closing Date, this Resolution shall be binding upon the Corporation and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Resolution. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Corporation contained in this Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Corporation, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Resolution.

Section 13.8. Governing Law. This Resolution shall be governed by and interpreted in accordance with internal laws of the State without regard to conflicts of laws principles.

Section 13.9. No Personal Liability; No Recourse. No member, officer, agent, employee or attorney of the Corporation, including any person executing the Bonds, will be liable personally on the Bonds or for any reason relating to the issuance of the Bonds. No recourse will be had for the payment of the principal of or the interest on the Bonds, or for any claim based on such Bonds, or otherwise in respect of such Bonds, or based on or in respect of this Resolution or any resolution supplemental to this Resolution, against any member, officer, employee or agent, as such, of the Corporation or any successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance of this Resolution and as part of the consideration for the issue of the Bonds, expressly waived and released. All covenants, stipulations, promises, agreements and obligations of the Corporation contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any member, officer or employee of the Corporation in such member's, officer's or employee's individual capacity.

Section 13.10. Effective Date. This Resolution shall take effect immediately upon delivery of a certified copy hereof to the Trustee.

EXHIBIT A

FORM OF BOND

Subject to the provisions of the Resolution, the Bonds shall be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted by the Resolution:

(FORM OF REGISTERED BOND)

No. A-R-

CUSIP:

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
MULTI-FAMILY HOUSING PASS-THROUGH REVENUE BOND,
2014 SERIES A

INTEREST RATE:

MATURITY DATE:

REGISTERED OWNER: Cede & Co.

INITIAL DATE:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS that the New York City Housing Development Corporation (hereinafter sometimes called “the Corporation”), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the laws of the State of New York (herein sometimes called the “State”), acknowledges itself indebted to, and for value received, hereby promises to pay, solely from the funds hereinafter mentioned, to the REGISTERED OWNER stated hereon, or registered assigns, the PRINCIPAL AMOUNT stated hereon on the MATURITY DATE hereof, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon, as Trustee under the hereinafter defined Resolution or its successor as Trustee (herein called the “Trustee”), and to pay, solely from said funds, to the Registered Owner hereof by check or draft mailed to the Registered Owner at its address as it shall appear on the first (1st) day of the month of the interest payment date on the bond registry kept by the Trustee interest on such Principal Sum from the INITIAL DATE to the date of maturity or earlier redemption of this Bond at the INTEREST RATE per annum, payable on the fifteenth (15th) day of each month (or, if any such day is not a Business Day, on the next succeeding Business Day), commencing on July 15, 2014 (each, an “Interest Payment Date”). Principal of, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This bond is one of the bonds of a duly authorized issue of bonds in the aggregate principal amount of \$34,561,047, designated “Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A” (herein called the “2014 Series A Bonds”), authorized to be issued under and pursuant to the “New York City Housing Development Corporation Act”, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York, as amended) (the “Act”), and a resolution of the Corporation adopted on June 10, 2014 and

entitled: “Multi-Family Housing Pass-Through Revenue Bond Resolution Authorizing the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A” (herein called the “Resolution”), for the purpose of providing the Corporation with moneys to acquire the Loans (as defined in the Resolution). Any capitalized term used herein and not otherwise defined shall have the same meaning as set forth in the Resolution, unless the context otherwise requires.

This Bond is a special revenue obligation of the Corporation and is payable solely from and secured solely by a pledge of certain Revenues and Funds established under the Resolution. The 2014 Series A Bonds shall not be a debt of either the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2014 Series A Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

This Bond is transferable, as provided in the Resolution, only upon the books of the Corporation kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered 2014 Series A Bond or Bonds, without coupons, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange therefor in the manner, subject to the conditions and upon the payment of the charges, if any, provided in the Resolution.

The 2014 Series A Bonds are issuable only as fully registered bonds in denominations of \$1.00 or any integral multiple thereof.

Registered 2014 Series A Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered 2014 Series A Bonds without coupons of any Authorized Denominations, of the same stated maturity, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Resolution.

The 2014 Series A Bonds are subject to mandatory redemption in whole or in part on each Interest Payment Date, beginning on August 15, 2014, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Series A Bonds to be redeemed, without premium, in an amount equal to the principal portion of Loan Prepayments and Prepayments received by or on behalf of the Corporation during the calendar month preceding such Interest Payment Date (or, in the case of August 15, 2014, on and after the Closing Date through the last day of the calendar month preceding such first Interest Payment Date), and transferred from the Principal Account of the Loan Payment Fund to the Debt Service Fund pursuant to the Resolution. For purposes of the foregoing, (a) any amounts transferred from the Excess Revenue Fund or the Debt Service Reserve Fund or provided by the Corporation (either from amounts released from the Open Resolution or from other funds of the Corporation) to make up the principal amount of any Loan Repayment that is not received during the month when it is due shall be deemed to be such Loan Repayment, and (b) payments made pursuant to

the REMIC Insurance policy relating to the principal of a Series A Loan shall be considered Loan Repayments or Prepayments.

The 2014 Series A Bonds are subject to special optional redemption in whole (but not in part) on any Interest Payment Date on and after the date on which the Outstanding principal amount of the 2014 Series A Bonds is less than ten percent (10%) of the original principal amount thereof, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, without premium.

Notice of special optional redemption of the 2014 Series A Bonds will be given by the Trustee by Electronic Means or first-class mail, postage prepaid, not more than sixty (60) days nor less than twenty (20) days prior to the Redemption Date, to the registered owner of each 2014 Series A Bonds, provided, however, that any failure to mail such notice of redemption to any registered owner of any 2014 Series A Bond or any failure so to receive such notice of redemption by any registered owner of any 2014 Series A Bond or any defect in such notice will not affect the validity of the redemption of any 2014 Series A Bonds. If notice of redemption shall have been given as aforesaid, and if on the Redemption Date moneys for the redemption of all 2014 Series A Bonds or portions thereof to be redeemed, together with interest to the Redemption Date, shall be available for such payments, then from and after the Redemption Date interest on such 2014 Series A Bonds shall cease to accrue and become payable.

Notwithstanding anything to contrary herein, no notice of mandatory redemption pursuant to the Resolution shall be required.

This Bond shall not be entitled to any right or benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been registered upon the books of the Corporation kept for that purpose, which registration shall be evidenced by the execution by the manual signature of a duly authorized signatory of the Trustee of the certificate of registration hereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this 2014 Series A Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2014 Series A Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

WITNESS WHEREOF, the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION has caused this 2014 Series A Bond to be executed in its name by the manual or facsimile signature of an Authorized Officer and its corporate seal (or facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of this ____ day of _____.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

By: _____
Authorized Officer

(SEAL)

Attest: _____
Secretary or Assistant Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2014 Series A Bonds described in the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Officer

Date of Authentication:

ASSIGNMENT

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

(PLEASE PRINT OR TYPEWRITE NAME, ADDRESS AND SOCIAL SECURITY NUMBER
OF TRANSFEREE)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney

to transfer the within bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature of this assignment
must correspond with the name as it appears
upon the face of the within bond in every
particular, without alteration or enlargement or
any change whatever.

Participant in a Recognized
Signature Guaranty Medallion Program

By: _____
Authorized Signature

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EXHIBIT B

LOANS ALLOCABLE TO THE BONDS

<u>Project Name</u>	<u>Borough</u>	<u>Balance</u>
137-02 Northern Boulevard	Queens	\$5,840,372
140-26 Franklin Avenue	Queens	\$4,239,587
32-08 Union Street	Queens	\$2,203,143
Frederick Douglass Boulevard (Triangle Court I)	Manhattan	\$2,753,165
9501 Rockaway Beach Boulevard	Queens	\$4,806,944
138 East 112th Street	Manhattan	\$5,513,512
1514 Sedgwick Avenue	Bronx	\$9,204,325

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PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon delivery of the Series A Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation proposes to deliver 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, as bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, organized 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”), have examined a record of proceedings relating to the issuance by the Corporation of \$34,561,047 Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A (the “2014 Series A Bonds”).

The 2014 Series A Bonds are authorized to be issued pursuant to the Act and the Multi-Family Housing Pass-Through Revenue Bond Resolution Authorizing the Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A of the Corporation, adopted June 10, 2014 (the “Resolution”). The 2014 Series A Bonds are being issued for the purpose of financing the acquisition of the Loans (as defined in the Resolution).

The 2014 Series A Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Resolution.

We have not examined nor are we passing upon matters relating to the real and personal property referred to in the mortgages which are to secure the 2014 Series A Bonds.

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 finance the acquisition of the Loans, to provide sufficient funds therefor by the adoption of the Resolution and the issuance and sale of the 2014 Series A Bonds, and to perform its obligations under the terms and conditions of the Resolution, 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 2014 Series A 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 2014 Series A Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or monies 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 benefit, protection and security of the provisions, covenants and agreements of the Resolution.

5. The 2014 Series A 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 Trust Estate (as defined in the

Resolution), 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. The 2014 Series A Bonds are not a debt of the State or The City of New York and neither is liable thereon, nor shall the 2014 Series A Bonds be payable out of any funds other than those of the Corporation pledged for the payment thereof.

7. Interest on the 2014 Series A Bonds is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

8. Under existing statutes, interest on the 2014 Series A 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 2014 Series A Bonds. We render this opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update this 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 exemption from personal income taxes of interest on the 2014 Series A 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 2014 Series A 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 2014 Series A Bond and in our opinion the form of said Bond and its execution are regular and proper.

Very truly yours,

DESCRIPTION OF NEW YORK FORECLOSURE PROCEEDINGS AND BANKRUPTCY

Below are descriptions of current foreclosure procedures in New York State and current bankruptcy provisions for mortgage loans generally.

New York Foreclosure Procedures.

In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. New York law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and actions on insurance policies insuring the mortgaged premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless the sheriff has been issued an execution against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is New York case law indicating that if an action is commenced on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt must be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Where a foreclosure action is brought, every person having an estate or interest in possession or otherwise in the property whose interest is claimed to be subject and subordinate to the mortgage must be made a party defendant to the action in order to have its interest in the property extinguished. At least twenty (20) days before a final judgment directing a sale is rendered, the mortgagee must file, in the clerk's office for the county where the mortgaged property is located, a notice of the pendency of the action. Judicial foreclosure in New York is a lengthy process, as judicial intervention is required at all stages, including but not limited to (1) the appointment of a referee to compute the amount due, (2) the appointment of a receiver to operate the property during the pendency of the action, (3) the confirmation of the referee's oath and report, (4) the issuance of the judgment of foreclosure and sale, (5) the confirmation of the sale, and (6) the issuance of a deficiency judgment and/or rights to surplus monies. If during the pendency of the action the mortgagor pays into court the amount due for principal and interest and the costs of the action together with the expenses of the proceedings to sell, if any, the court will (i) dismiss the complaint without costs against the mortgagee if the payment is made before judgment directing the sale or (ii) stay all proceedings upon judgment if the payment is made after judgment directing sale but before sale.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as much thereof as the court may deem just and equitable, against a mortgagor who has appeared or has been personally served in the action. Prior to entering a deficiency judgment the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or such nearest earlier date as there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the sale price of the mortgaged property and the fair market value of the mortgaged property as determined by the court.

The mortgagee may also, at its discretion, negotiate with the delinquent mortgagor to offer a deed in lieu of foreclosure to the mortgagee, where appropriate. In some situations this would allow the mortgagee to reduce the cost of, and the time involved in, acquiring the property.

The Series A Loans are non-recourse to the Borrower. Therefore, the Corporation may only have limited rights to pursue the enforcement of an action on the debt. Consequently, with respect to such Series A Loans, the above provisions relating to an action on the mortgage debt, as opposed to a foreclosure action, are not applicable.

Bankruptcy.

If a petition for relief under Federal bankruptcy law were filed voluntarily by a mortgagor, or involuntarily against a mortgagor by its creditors, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceedings, including, without limitation, foreclosure proceedings, against such mortgagor and its property. If a bankruptcy court so ordered, the mortgagor's property, including its revenues, could be used for the benefit of the mortgagor, despite the rights granted the mortgagee or a trustee. Certain provisions of the mortgage that make the initiation of bankruptcy and related proceedings by or against the mortgagor an event of default thereunder are not enforceable in the mortgagor's bankruptcy proceeding.

In addition, if a bankruptcy court concludes that a mortgagee is "adequately protected," it might (A) substitute other security for the property presently pledged and (B) subordinate the lien of the mortgagee or a trustee to (i) claims by persons supplying goods and services to the mortgagor after commencement of such bankruptcy proceedings, (ii) the administrative expenses of the bankruptcy proceedings and (iii) a lien granted a lender proving funds to the mortgagor during the pendency of the bankruptcy case.

In bankruptcy proceedings initiated by the filing of a petition under Chapter 11 of the United States Bankruptcy Code, a mortgagor or another party-in-interest could elect to file a plan of reorganization that seeks to modify the rights of creditors generally, or any class of creditors, including secured creditors. In the event a mortgagor files under Chapter 11, the mortgagor may seek to modify the terms of the mortgage note and the mortgage in a plan of reorganization. In a reorganization case, a mortgagee holds a secured claim equal to the lesser of the value of the mortgaged premises or the debt. If the adjusted value is less than the pre-petition debt, then the mortgagee is not entitled to post-petition interest and the deficiency will be treated as an unsecured claim. With respect to the mortgagee's secured claim, if the debtor intends to retain the premises, the debtor will generally propose to treat the mortgage as unimpaired by curing any monetary defaults and reinstating the terms of the mortgage. Alternatively, the debtor may seek to alter the terms, however, the mortgagee is entitled to retain its lien under a plan and must receive deferred cash payments totaling the amount of the claim with a present value not less than the value of the mortgaged premises. If the premises are to be sold by the debtor, the mortgagee can bid at the bankruptcy court sale and offset its claim against the selling price at such sale.