

NEW ISSUE

Federal Tax Exemption

2014 Series A-1 Bonds: In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2014 Series A-1 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any 2014 Series A-1 Bond for any period during which such 2014 Series A-1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2014 Series A-1 Bonds or a "related person," and (ii) interest on the 2014 Series A-1 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax.

2014 Series A-2 Bonds: In the opinion of Bond Counsel to the Corporation, interest on the 2014 Series A-2 Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

State Tax Exemption

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2014 Series A-1 Bonds and the 2014 Series A-2 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."

\$235,000,000

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION



**Multi-Family Rental Housing Revenue Bonds
(NYCHA Triborough Preservation Development),**

\$230,000,000 2014 Series A-1

\$5,000,000 2014 Series A-2 (Federally Taxable)

Dated: Date of Delivery

Due: May 15 and November 15, as shown on the inside cover page

The Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-1 (the "2014 Series A-1 Bonds") and the Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-2 (the "2014 Series A-2 Bonds" and, together with the 2014 Series A-1 Bonds, the "2014 Series A Bonds") of the New York City Housing Development Corporation (the "Corporation") will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). The 2014 Series A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on and principal of the 2014 Series A Bonds will be payable by U.S. Bank National Association, located in New York, New York, as trustee ("Trustee") for the 2014 Series A Bonds, to Cede & Co., as nominee of DTC, which will, in turn, remit such principal and interest to DTC Direct Participants for subsequent disbursement to Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM." Purchasers of the 2014 Series A Bonds will not receive physical delivery of bond certificates. The 2014 Series A Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein.

The 2014 Series A Bonds are being issued to finance a Mortgage Loan of \$235,000,000 to Triborough Preservation LLC, a New York limited liability company (the "Mortgagor"), for the purpose of paying a portion of the costs of acquiring, renovating and equipping multi-family rental housing developments located in the Boroughs of the Bronx, Manhattan and Brooklyn, New York (referred to herein collectively as the "Project") and to pay certain other costs related thereto.

Payment of principal of and interest on the 2014 Series A Bonds will be secured, to the extent described herein, by certain revenues and assets pledged under the Resolution pursuant to which the 2014 Series A Bonds are being issued, all as described herein. The principal of, interest on and Purchase Price of the 2014 Series A Bonds are payable from funds advanced under the Credit Facility issued by



The Credit Facility for the 2014 Series A Bonds (the "Credit Enhancement Instrument") will terminate on November 20, 2044, unless earlier terminated in accordance with its terms. Fannie Mae's obligations to make advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of the Credit Enhancement Instrument are absolute, unconditional and irrevocable.

The 2014 Series A Bonds are subject to optional and mandatory redemption and mandatory tender at the times and in the events set forth in the Resolution and described herein.

The 2014 Series A Bonds are being issued as fixed rate obligations which will bear interest at the fixed rates set forth on the inside cover page payable on each May 15 and November 15, commencing May 15, 2015.

The 2014 Series A Bonds are special obligations of the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation organized and existing under the laws of the State of New York. The 2014 Series A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2014 Series A Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE 2014 SERIES A BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT INSTRUMENT. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT ENHANCEMENT INSTRUMENT WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2014 SERIES A BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE 2014 SERIES A BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The 2014 Series A Bonds are offered when, as and if issued and received by the Underwriters and subject to the unqualified approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, Arent Fox LLP. Certain legal matters will be passed upon for the Mortgagor by its special counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Winston & Strawn LLP, New York, New York. It is expected that the 2014 Series A Bonds will be available for delivery in New York, New York on or about December 23, 2014.

Morgan Stanley

Academy Securities

Citi

RBC Capital Markets

Siebert Brandford Shank & Co., L.L.C.

BofA Merrill Lynch

J.P. Morgan

Wells Fargo Securities

Barclays

Loop Capital Markets, LLC

Roosevelt & Cross Inc.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

\$230,000,000

**New York City Housing Development Corporation
Multi-Family Rental Housing Revenue Bonds
(NYCHA Triborough Preservation Development),
2014 Series A-1**

\$34,620,000 2014 Series A-1 Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> [†]	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> [†]
Nov. 15, 2016	\$1,195,000	0.55%	100%	64970HDY7	May 15, 2021	\$1,820,000	2.15%	100 %	64970HEH3
May 15, 2017	1,665,000	0.80	100	64970HDZ4	Nov. 15, 2021	1,845,000	2.25	100	64970HEJ9
Nov. 15, 2017	1,675,000	0.90	100	64970HEA8	May 15, 2022	1,875,000	2.45	100	64970HEK6
May 15, 2018	1,690,000	1.20	100	64970HEB6	Nov. 15, 2022	1,910,000	2.55	100	64970HEL4
Nov. 15, 2018	1,710,000	1.30	100	64970HEC4	May 15, 2023	1,940,000	2.65	100	64970HEM2
May 15, 2019	1,725,000	1.55	100	64970HED2	Nov. 15, 2023	1,975,000	2.70	100	64970HEN0
Nov. 15, 2019	1,745,000	1.65	100	64970HEE0	May 15, 2024	2,015,000	2.80	100	64970HEP5
May 15, 2020	1,770,000	1.85	100	64970HEF7	Nov. 15, 2024	2,050,000	2.80	100	64970HEQ3
Nov. 15, 2020	1,790,000	1.95	100	64970HEG5	May 15, 2025	2,090,000	2.90	100	64970HER1
					Nov. 15, 2025	2,135,000	2.90	100	64970HES9

\$18,805,000 3.375% 2014 Series A-1 Term Bonds due November 15, 2029 – Price 100% CUSIP No. 64970HET7[†]

\$28,795,000 3.700% 2014 Series A-1 Term Bonds due November 15, 2034 – Price 100% CUSIP No. 64970HEU4[†]

\$36,470,000 3.800% 2014 Series A-1 Term Bonds due November 15, 2039 – Price 100% CUSIP No. 64970HEV2[†]

\$111,310,000 3.950% 2014 Series A-1 Term Bonds due November 15, 2044 – Price 100% CUSIP No. 64970HEW0[†]

\$5,000,000

**New York City Housing Development Corporation
Multi-Family Rental Housing Revenue Bonds
(NYCHA Triborough Preservation Development),
2014 Series A-2 (Federally Taxable)**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> [†]
May 15, 2015	\$1,280,000	0.30%	100%	64970HEX8
Nov. 15, 2015	1,625,000	0.54	100	64970HEY6
May 15, 2016	1,640,000	0.73	100	64970HEZ3
Nov. 15, 2016	455,000	1.07	100	64970HFA7

[†] Copyright 2003, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2014 Series A Bonds, and the Corporation and the Underwriter do not make any representation with respect to such numbers nor do they undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2014 Series A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the 2014 Series A Bonds.

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 2014 Series A Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the New York City Housing Development Corporation or the Underwriters to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

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

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

Fannie Mae has not provided or approved any information in this Official Statement except with respect to the description under the heading "FANNIE MAE," takes no responsibility for any other information contained in this Official Statement, and makes no representation as to the contents of this Official Statement. Without limiting the foregoing, Fannie Mae makes no representation as to the suitability of the 2014 Series A Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the 2014 Series A Bonds is limited to delivering the Credit Enhancement Instrument described herein to the Trustee.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2014 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 UNDERWRITERS MAY OFFER AND SELL THE 2014 SERIES A BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE 2014 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 ADEQUACY OF THIS OFFICIAL STATEMENT.

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NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

\$235,000,000

**Multi-Family Rental Housing Revenue Bonds
(NYCHA Triborough Preservation Development),**

\$230,000,000 2014 Series A-1

\$5,000,000 2014 Series A-2 (Federally Taxable)

This Official Statement (including the cover, inside cover and appendices) provides certain information concerning the New York City Housing Development Corporation (the "Corporation") in connection with the sale of \$230,000,000 aggregate principal amount of the Corporation's Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-1 (the "2014 Series A-1 Bonds") and \$5,000,000 aggregate principal amount of the Corporation's Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-2 (the "2014 Series A-2 Bonds" and, together with the 2014 Series A-1 Bonds, the "2014 Series A Bonds").

The 2014 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 Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development) Bond Resolution" adopted by the Members of the Corporation on December 3, 2014 (as amended and supplemented from time to time, the "Resolution"). Pursuant to the Resolution, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein and all such bonds, including the 2014 Series A Bonds issued thereunder, are herein referred to as the "Bonds." U.S. Bank National Association, located in New York, New York, will act as trustee for the 2014 Series A Bonds (in its capacity as trustee for the 2014 Series A Bonds, with its successors, the "Trustee"). Certain defined terms used herein are set forth in Appendix A hereto.

INTRODUCTION

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

The 2014 Series A Bonds are being issued to finance a mortgage loan (the "Mortgage Loan") to Triborough Preservation LLC, a New York limited liability company (the "Mortgagor"), for the purposes of paying a portion of the costs of acquiring, renovating and equipping multi-family rental housing facilities located at (i) 510-522 East 156th Street in the Borough of the Bronx and County of Bronx, (ii) 631, 635 and 637 East 13th Street and 205, 207 and 211 Avenue C in the Borough of Manhattan and County of New York, (iii) 4/26 East 117th Street a/k/a 1772/1782 Madison Avenue in the Borough of Manhattan and County of New York, (iv) 438 and 444 East 120th Street in the Borough of Manhattan and County of New York, (v) 277 and 279 East 4th Street in the Borough of Manhattan and County of New York and (vi) 930, 940 and 950 Halsey Street and 51 and 55 Saratoga Avenue in the Borough of Brooklyn and County of Kings, in all cases located in the City and State of New York (the "Project"), and certain other costs related thereto and to the issuance of the 2014 Series A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." See "THE PROJECT AND THE MORTGAGOR."

Concurrently with, and as a condition precedent to, the issuance of the 2014 Series A Bonds, the Corporation will cause to be delivered to the Trustee an irrevocable, direct-pay credit enhancement instrument, dated the date of issuance of the 2014 Series A Bonds, executed and delivered by Fannie Mae (the "Credit Enhancement Instrument"). Fannie Mae will advance funds under the Credit Enhancement Instrument to the Trustee with respect

to the payment of: (i) the principal (without premium) of the 2014 Series A Bonds when due by reason of acceleration, redemption, defeasance or stated maturity, (ii) up to 183 days' interest (computed at the highest interest rate borne by the 2014 Series A Bonds as stated on the inside front cover hereof) on the 2014 Series A Bonds when due on or prior to their stated maturity date and (iii) the Fee Component. Fannie Mae will also advance funds under the Credit Enhancement Instrument to the Trustee up to the principal amount of the 2014 Series A Bonds and interest thereon (computed at the highest interest rate borne by the 2014 Series A Bonds as stated on the inside front cover hereof) for up to 183 days in order to pay the Purchase Price of 2014 Series A Bonds tendered pursuant to a mandatory tender of 2014 Series A Bonds resulting from an Event of Termination. The Credit Enhancement Instrument will expire on November 20, 2044, unless terminated earlier in accordance with its terms, as described herein.

The Credit Enhancement Instrument constitutes a "Credit Facility" under the Resolution and Fannie Mae constitutes a "Credit Facility Provider" under the Resolution.

The Mortgage Loan is to be evidenced by two mortgage notes in an initial amount corresponding to the amount of 2014 Series A Bond proceeds (collectively, as the same may be amended or supplemented, the "Mortgage Note") executed by the Mortgagor in favor of the Corporation. The Mortgage Loan shall be secured by two mortgages on the Project (collectively, as the same may be amended and supplemented, the "Mortgage") executed by the Mortgagor in favor of the Corporation. The Mortgage Note and Mortgage are to be assigned by the Corporation to the Trustee and Fannie Mae, as their interests may appear, subject to the reservation by the Corporation of certain rights. The Trustee will assign the mortgage rights assigned to it to Fannie Mae but will retain the right to receive payments on the Mortgage Note subject to Fannie Mae's right to direct the Trustee to assign its entire interest in the Mortgage Loan to Fannie Mae. See "SECURITY FOR THE BONDS."

The 2014 Series A Bonds are special obligations of the Corporation payable solely from payments under the Mortgage Loan and other Revenues pledged therefor under the Resolution, including any investment earnings thereon, all as provided in accordance with the terms of the Resolution. In addition, the 2014 Series A Bonds are payable from advances under the Credit Enhancement Instrument. See "SECURITY FOR THE BONDS."

The Mortgagor will enter into a Reimbursement Agreement with respect to the Credit Enhancement Instrument (the "Reimbursement Agreement") with Fannie Mae pursuant to which such Mortgagor will agree to reimburse Fannie Mae for any payments made by Fannie Mae under the Credit Facility. Upon an event of default under the Reimbursement Agreement, Fannie Mae, at its option, may direct the mandatory tender or mandatory redemption of all or a portion of the 2014 Series A Bonds. See "DESCRIPTION OF THE 2014 SERIES A BONDS—Credit Facility Provider's Right to Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination" and "—Redemption of the 2014 Series A Bonds—Mandatory—Mandatory Redemption Following an Event of Termination." See also "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT."

The 2014 Series A Bonds are fixed rate obligations which will bear interest from their dated date, at the rates per annum set forth on the inside cover page of this Official Statement. See "DESCRIPTION OF THE 2014 SERIES A BONDS—General."

As more fully described herein, the loss of exclusion of interest on the 2014 Series A Bonds from gross income for Federal income tax purposes would not, in and of itself, result in a mandatory tender or redemption of the 2014 Series A Bonds. See "DESCRIPTION OF THE 2014 SERIES A BONDS—Effect of Loss of Tax Exemption."

The 2014 Series A Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2014 Series A Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE 2014 SERIES A BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT INSTRUMENT. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT ENHANCEMENT INSTRUMENT WILL BE OBLIGATIONS SOLELY OF FANNIE

MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2014 SERIES A BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE 2014 SERIES A BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Descriptions of the 2014 Series A Bonds and sources of payment, the Corporation, Fannie Mae, the Mortgagor, the Project, the Mortgage Loan, the Credit Enhancement Instrument, the Resolution, the Reimbursement Agreement and certain related agreements are included in this Official Statement. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the 2014 Series A Bonds are qualified in their entirety by reference to the Resolution and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Resolution are available for inspection at the office of the Corporation. The Corporation has covenanted in the Resolution to provide a copy of each annual report of the Corporation (and certain special reports, if any) and any Accountant's Certificate relating thereto to each Bond owner who shall have filed such owner's name and address with the Corporation for such purposes. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Accounts and Reports" herein. Other than as covenanted in the Resolution, the Corporation has not committed to provide any information on an ongoing basis to any repository or other entity or person. The Mortgagor will provide certain information on an ongoing basis to certain repositories. For a description of the Mortgagor's undertaking with respect to ongoing disclosure, see "CONTINUING DISCLOSURE."

THE CORPORATION

Purposes and Powers

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State, created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling accommodations in 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 2014 Series A Bonds, notes, or other obligations are outstanding.

The sale of the 2014 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 2014 Series A Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

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

Organization and Membership

The Corporation, pursuant to the Act, consists of the Commissioner of Housing Preservation and Development ("HPD") (who is designated as Chairperson of the Corporation pursuant to the Act), the Commissioner of Finance of the City and the Director of Management and Budget of the City (such officials to

serve ex-officio), and four (4) public members, two (2) appointed by the Mayor of the City (the “Mayor”) and two (2) appointed by the Governor of the State. The Act provides that the powers of the Corporation shall be vested in and exercised by not less than four (4) members. The Corporation may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper.

Members

VICKI BEEN, Chairperson and Member ex-officio. Ms. Been was appointed Commissioner of HPD by Mayor Bill de Blasio, effective February 18, 2014. Prior to joining HPD, she was the Boxer Family Professor of Law at New York University School of Law and Director of NYU’s Furman Center for Real Estate and Urban Policy. Ms. Been earned a J.D. from NYU School of Law, and clerked for Judge Edward Weinfeld on the Southern District of New York and for Justice Harry Blackmun on the United States Supreme Court.

HARRY E. GOULD, JR., Vice Chairperson and Member, serving pursuant to law. Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation, which was, until April 30, 2010, the largest privately owned independent distributor of printing paper in the United States. As of that date, Gould became a 51% owned subsidiary of Japan Pulp & Paper, the largest distributor in Japan. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field. He is a Life Member of the Executive Branch of the Academy of Motion Picture Arts and Sciences. He is a member of the Board of Directors of the Roundabout Theatre Organization and a member of the Board of Overseers at the Columbia Business School. He was a member of the Board of Directors of Domtar, Inc., North America’s largest and second largest global manufacturer of uncoated free sheet papers from 1995 to 2004. He was a member of the Board of Directors of the USO of Metropolitan New York from 1973 to 2004. He was a member of the Board of Trustees of the American Management Association from 1996 to 1999. He was a member of Colgate University’s Board of Trustees from 1976 to 1982. He was appointed Trustee Emeritus of Colgate University in 2012. He was appointed the U.S. representative to the U.N. East-West Trade Development Commission by President Johnson from 1967 to 1968. He was Vice Chairman of the President’s Export Council, was a member of the Executive Committee and was Chairman of the Export Expansion Subcommittee from 1977 to 1980. He was a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee from 1977 to 1999. He was a member of the Board of United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York from 1972 to 1999. He was a Trustee of the Riverdale Country School from 1990 to 1999. Mr. Gould received his B.A. degree from Colgate University *magna cum laude*. He began his M.B.A. studies at Harvard University and received his degree from Columbia Business School.

DEAN FULEIHAN, Member ex-officio. Mr. Fuleihan was appointed New York City Budget Director in January 2014. Previously, Mr. Fuleihan joined the SUNY College of Nanoscale Science and Engineering as Executive Vice President for Strategic Partnerships. Prior to that, he served in the New York State Assembly for over 30 years, serving as the principal fiscal and policy advisor to the Speaker of the New York State Assembly, Assembly leadership and the Majority Conference. He was also the Assembly’s principal staff negotiator on the state budget. Mr. Fuleihan received a B.A. degree in Economics from Alfred University and studied public finance at the Maxwell School of Citizenship and Public Affairs at Syracuse University.

JACQUES JIHA, Member ex-officio. Mr. Jacques Jiha Ph.D. was appointed Commissioner of New York City’s Department of Finance by Mayor Bill de Blasio on April 8, 2014. Prior to becoming Commissioner, Mr. Jiha was the Executive Vice President/Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company with properties in print, digital media, television, events and the Internet. He has also served on a number of government and not-for-profit boards including the Ronald McDonald House of New York, Public Health Solutions, the Investment Advisory Committee of the New York Common Retirement Fund and as Secretary of the board of the New York State Dormitory Authority. Previous positions include Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller, where he managed the assets of the New York State Common Retirement

Fund — then the nation's second-largest pension fund valued at \$120 billion. Prior to his appointment, he worked for the New York City Office of the Comptroller, first as Chief Economist and later as Deputy Comptroller for Budget, with oversight responsibilities over the city's operating budget and four-year capital plan. Mr. Jiha also served as Executive Director of the Legislative Tax Study Commission of New York State and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School for Social Research and a Bachelor's degree in Economics from Fordham University.

VACANT, Member.

CHARLES G. MOERDLER, Member, serving pursuant to law. Mr. Moerdler is a partner in the law firm of Stroock & Stroock & Lavan LLP. Prior to joining his law firm in 1967, Mr. Moerdler was Commissioner of Buildings for The City of New York from 1966 to 1967, and previously worked with the law firm of Cravath, Swaine & Moore. Mr. Moerdler has served as a member of the Committee on Character and Fitness of Applicants to the Bar of the State of New York, Appellate Division, First Department since 1977 and as a member of the Mayor's Committee on Judiciary since 1994. He has also served on the Editorial Board of the New York Law Journal since 1986. Mr. Moerdler held a number of public service positions, including Chairman of The New York State Insurance Fund from 1995 to March 1997, Commissioner and Vice Chairman of The New York State Insurance Fund from 1978 to 1994, Consultant to the Mayor of The City of New York on Housing, Urban Development and Real Estate from 1967 to 1973, Member of the Advisory Board on Fair Campaign Practices, New York State Board of Elections in 1974, Member of the New York City Air Pollution Control Board from 1966 to 1967 and Special Counsel to the New York State Assembly, Committee on Judiciary in 1961 and Committee on The City of New York in 1960. Mr. Moerdler also serves as a Trustee of St. Barnabas Hospital and served on the Board of Overseers of the Jewish Theological Seminary of America. He served as a Trustee of Long Island University from 1985 to 1991 and on the Advisory Board of the School of International Affairs, Columbia University from 1976 to 1979. Mr. Moerdler is a graduate of Long Island University and Fordham Law School, where he was an Associate Editor of the Fordham Law Review.

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

Principal Officers

VICKI BEEN, Chairperson.

HARRY E. GOULD, JR., Vice Chairperson.

GARY D. RODNEY, President. Mr. Rodney was appointed President of the Corporation on March 3, 2014. Prior to joining the Corporation, Mr. Rodney was the Executive Vice President for Development at Omni New York LLC ("OMNI"), a real estate development company focusing on affordable housing. Prior to joining OMNI, Mr. Rodney was Director of Development at BFC Partners, a New York City based real estate development company. Mr. Rodney also spent five years at the Corporation and held several positions

structuring financing programs and underwriting transactions before being promoted to Vice President in 2005. Mr. Rodney holds a Master of Urban Planning degree from New York University's Robert F. Wagner Graduate School of Public Service and Bachelor of Arts from the University of Rochester.

RICHARD M. FROELICH, Chief Operating Officer, Executive Vice President and General Counsel. Mr. Froehlich, an attorney and member of the New York State Bar, was appointed Chief Operating Officer of the Corporation on June 9, 2011, and Executive Vice President for Capital Markets of the Corporation on February 27, 2008. Mr. Froehlich is also the General Counsel of the Corporation. He was originally appointed Senior Vice President and General Counsel of the Corporation effective November 17, 2003. Prior to joining the Corporation, he was Counsel at the law firm of O'Melveny & Myers LLP in its New York City office, where Mr. Froehlich's practice focused on real estate, public finance and affordable housing. From 1993 to 1998, Mr. Froehlich was an Assistant Counsel at the New York State Housing Finance Agency. Upon graduation from law school, he was an associate at Skadden, Arps, Slate, Meagher & Flom. Mr. Froehlich received his B.A. degree from Columbia College and his J.D. from Columbia University School of Law. He is an Adjunct Assistant Professor of Urban Planning at Columbia University.

PAULA ROY CARETHERS, Executive Vice President for Real Estate. Ms. Carethers was appointed Executive Vice President of the Corporation on June 10, 2014, effective July 7, 2014. Prior to joining the Corporation, she held senior positions at the Empire State Development Corporation ("ESDC"), including Director of Atlantic Yards Development and President of Queens West Development Corporation. While at ESDC she managed the consolidation of the Mitchell Lama portfolio from ESDC to the New York State Housing Finance Agency. Prior to such positions, Ms. Carethers worked at CPC Resources, Inc. focusing on the Domino Sugar Redevelopment, at the New York City Economic Development Corporation, and worked in private consulting and non-profit development. Ms. Carethers received a B.S. degree from Michigan State University and a Master of Urban and Regional Planning from the University of Michigan's Taubman College of Architecture and Urban Planning.

CATHLEEN A. BAUMANN, Senior Vice President and Treasurer. Ms. Baumann was appointed Senior Vice President of the Corporation by the President on August 8, 2012 and Treasurer of the Corporation on July 20, 2009. Prior to such appointments, she held the position of Deputy CFO since September 2004. Ms. Baumann joined the Corporation in 1988 as an Accountant. She has also held the positions of Senior Accountant and Internal Auditor and Vice President of Internal Audit. Ms. Baumann received her bachelor's degree with majors in Accounting and Economics from Queens College of the City University of New York and her M.B.A. in Finance from Baruch College's Zicklin School of Business of the City University of New York.

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

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

JIM QUINLIVAN, Senior Vice President for Policy. Mr. Quinlivan was appointed Senior Vice President for Policy of the Corporation on April 10, 2013, effective April 15, 2013. Prior to such appointment, Mr. Quinlivan held the position of Vice President and Deputy Director of Asset Management. Mr. Quinlivan began his career with the Corporation in 1996 and held several positions before being promoted to Vice President in 2002. Prior to joining the Corporation, Mr. Quinlivan worked at the U.S. Department of Housing & Urban Development. Mr. Quinlivan received a B.A. from New York University.

ANTHONY R. RICHARDSON, Senior Vice President for Development. Mr. Richardson was appointed Senior Vice President for Development of the Corporation on August 25, 2014, effective September 22, 2014. Prior to joining the Corporation, Mr. Richardson was the Director of Multifamily New Construction Programs at HPD. Prior to joining HPD, Mr. Richardson held financial advisory and sales positions at Ernst & Young, M.R. Beal & Company and Cantor Fitzgerald. Mr. Richardson received a Master of Public Administration and Public Policy degree from Columbia University's School of International Public Affairs and a Master's degree in Public Administration and Economic Policy from The London School of Economics & Political Science. Mr. Richardson received a Bachelor of Arts degree from Morehouse College.

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

THE MORTGAGE LOAN

The Resolution authorizes the Corporation to issue the 2014 Series A Bonds to provide moneys to finance the Mortgage Loan for the purposes of paying a portion of the costs of acquiring, renovating and equipping the Project and certain other costs related thereto and to the issuance of the 2014 Series A Bonds. As a condition to the initial issuance and delivery of the 2014 Series A Bonds, Fannie Mae is to deliver the Credit Facility to the Trustee. The Corporation and the Mortgagor will enter into a financing agreement (as the same may be amended or supplemented, the "Loan Agreement"), simultaneously with the issuance of the 2014 Series A Bonds. The Mortgage Loan is to be evidenced by a Mortgage Note, executed by the Mortgagor in favor of the Corporation and secured by the Mortgage. The Mortgagor is required under the Mortgage Note to make payments sufficient to pay debt service on the 2014 Series A Bonds. Pursuant to the terms of the Resolution, and the Assignment and Agreement, by and among the Corporation, the Trustee and the Credit Facility Provider and acknowledged by the Mortgagor (the "Assignment"), the Corporation will assign and deliver to Fannie Mae and the Trustee, as their interests may appear, subject to the reservation of certain rights by the Corporation, all of its right, title and interest in and to the Mortgage Loan and the Mortgage Documents. Fannie Mae has the right under the Assignment to direct the Trustee to assign the Mortgage Note and the Mortgage to Fannie Mae upon the occurrence of an "event of default" under the Reimbursement Agreement (see "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT").

The ability of the Mortgagor to pay the Mortgage Loan depends on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee and Tender Agent fees and fees owed to the Corporation. The ability of the Project to generate sufficient revenues may be affected by a variety of factors, including without limitation, completion of renovation of the Project, maintenance of a certain level of occupancy, the ability to receive annual automatic adjustment factor increases to Project rents from HUD under the HAP Contracts (as hereinafter defined), the ability to achieve increases in rents as necessary to cover debt service and operating expenses, HUD's annual appropriation of funding under the HAP Contracts, the maintenance of the Project's partial tax abatement, the level of operating expenses, project management, adverse changes in applicable laws and regulations, and general economic conditions and other factors in the metropolitan area surrounding the Project. The Mortgagor expects to rent one hundred percent (100%) of the units in the Project to persons or families of low income, and the amount of rent that may be charged for such units is expected to be less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Mortgagor to make payments when due under the Mortgage Loan or the Reimbursement Agreement will result in an event of default under the Mortgage Loan and Reimbursement Agreement and may, at

the option of the Credit Facility Provider, result in a mandatory tender or redemption of all or a portion of the 2014 Series A Bonds. See “DESCRIPTION OF THE 2014 SERIES A BONDS—Credit Facility Provider’s Right To Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination” and “—Redemption of 2014 Series A Bonds—Mandatory—Mandatory Redemption Following an Event of Termination” and “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT.”

Under the terms of a non-recourse carve-out guaranty (as the same may be amended or supplemented, the “Guaranty”), executed and delivered by Donald Cappocia, Joseph Ferrara, Brandon Baron, Francine Kellman, Brian Raddock and L&M Development Partners Inc. (collectively, the “Key Principal”) in connection with the Project, to Fannie Mae, the Key Principal has agreed to guarantee the payment and performance of certain of the Mortgagor’s obligations under the Reimbursement Agreement throughout the term of the Credit Enhancement Instrument, in addition to guaranteeing any operating deficit and completion of the Project (as hereinafter defined) until such time as the Project is completed and the Building and Project Loan, Repair Deposit and Disbursement Agreement is terminated. Failure by the Key Principal to perform its obligations under the Guaranty may result in an event of default under the Reimbursement Agreement and may, at the option of Fannie Mae, result in a mandatory tender or redemption, in whole or in part, of the 2014 Series A Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” and “DESCRIPTION OF THE 2014 SERIES A BONDS—Credit Facility Provider’s Right to Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination” and “Redemption of 2014 Series A Bonds—Mandatory—Mandatory Redemption Following an Event of Termination” herein. Neither the owners of the 2014 Series A Bonds nor the Corporation will have any rights with respect to the Guaranty, and the obligations thereunder, provided by the Key Principal. The Guaranty is provided for the sole benefit of Fannie Mae.

The Mortgage Loan is a non-recourse obligation of the Mortgagor with respect to which its members have no personal liability and as to which its members have not pledged for the benefit of the Bondholders any of their respective assets, other than the Project and its rents, profits and proceeds.

THE PROJECT AND THE MORTGAGOR

The Mortgagor has provided the following description regarding the Project and the Mortgagor. While the information is believed to be reliable, neither the Corporation, the Underwriters nor any of their respective counsel, members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

The Project

The 2014 Series A Bonds are being issued to fund the Mortgage Loan to the Mortgagor for the purpose of paying a portion of the costs of acquiring and rehabilitating 875 units of multi-family rental housing development known as NYCHA Triborough Preservation Development (the “Project”) consisting of ten (10) buildings located at six (6) scattered-sites located at (i) 510-522 East 156th Street in the Borough of the Bronx and County of Bronx, (ii) 631, 635 and 637 East 13th Street and 205, 207 and 211 Avenue C in the Borough of Manhattan and County of New York, (iii) 4/26 East 117th Street a/k/a 1772/1782 Madison Avenue in the Borough of Manhattan and County of New York, (iv) 438 and 444 East 120th Street in the Borough of Manhattan and County of New York, (v) 277 and 279 East 4th Street in the Borough of Manhattan and County of New York and (vi) 930, 940 and 950 Halsey Street and 51 and 55 Saratoga Avenue in the Borough of Brooklyn and County of Kings, in all cases located in the City and State of New York. The Project consists of 52 studio units, 312 one-bedroom rental units, 203 two-bedroom rental units, 181 three-bedroom rental units, 92 four-bedroom rental units, 29 five-bedroom rental units, and two non-revenue one-bedroom apartments and three non-revenue two-bedroom units set aside for superintendents. The level of occupancy of the Project as of November 1, 2014 was 99%. In each of the last five years occupancy levels at the Project have exceeded 95%.

The acquisition and rehabilitation of the Project will be financed from (a) the proceeds of the Mortgage Loan, and (b) certain other funds available to the Mortgagor.

The Mortgagor intends to rent 100% of the Project’s residential rental units to tenants whose annual household incomes, at initial occupancy, do not exceed 60% of the area median income for the Project’s location

("AMI"), adjusted for family size. The rents paid by Project tenants are expected to be significantly below market rents. The Project receives subsidy from six project-based Section 8 Housing Assistance Payments Contracts or Housing Assistance Payments Renewal Contracts with HUD (each a "HAP Contract"). There is one HAP Contract for each of the sites. Two or more of these HAP Contracts may be combined in the future. The Mortgagor expects that each of the HAP Contracts shall be renewed so that they each have an expiration date of approximately December 31, 2035. A general description of the Section 8 program is set forth in Appendix C hereto.

The Mortgagor expects that the Project will be entitled to receive a partial exemption from real estate taxes for 30 years in accordance with Section 420-c of the Real Property Tax Law of the State of New York which will allow the Mortgagor to make payments in lieu of taxes in an amount that is anticipated to be significantly below market taxes for at least the term of the Mortgage.

The architect of record for the rehabilitation of the Project is OCV Architects, P.C. The design architect is Global Design Strategies LLC. L&M Builders Group and Preservation TB Builders LLC, which are affiliated with L&M PDP Triborough Preservation LLC, will be the general contractors for the rehabilitation of the Project. C&C Apartment Management LLC ("C&C"), which is affiliated with L&M Development Partners Inc., will manage the Project. C&C was formed in 2004 and presently manages over 10,000 units across over 245 multifamily properties. Upon acquiring the Project, the Mortgagor intends to undertake a renovation of the Project. The scope of the renovation work will increase the overall energy efficiency of the Project while simultaneously improving the building facades and interiors by employing the following sustainable design and construction strategies across the Project: replacing inefficient, aging mechanical systems with state-of-the-art computer-controlled high efficiency systems; replacing stair and hallway lighting with energy efficient dual level fixtures with built in motion detectors where appropriate to reduce electricity use; replacing existing appliances with new Energy Star compliant models and existing plumbing fixtures with low flow fixtures to reduce water consumption; interior renovation of apartments to include new bathrooms, kitchens and paint, and the transformation of hardscaped outdoor areas to include landscaping, green seating and play areas for residents.

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay debt service on the Mortgage Loan, operating expenses of the Project, fees due to Fannie Mae, Trustee and Tender Agent fees and fees owed to the Corporation. The ability of the Mortgagor to generate sufficient revenues will be affected by a variety of factors including, but not limited to, completion of renovation of the Project, the maintenance of a sufficient level of occupancy, the ability to receive operating cost adjustment factor increases to Project rents from HUD under the HAP Contracts, the ability to achieve increases in rent to cover debt service and operating expenses, HUD's annual appropriation of funding for the HAP Contracts, the maintenance of the Project's partial tax abatement, the level of operating expenses, Project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding metropolitan area of the Project. Adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and rental income of the Project. See "DESCRIPTION OF THE 2014 SERIES A BONDS—Purchase of the 2014 Series A Bonds—Credit Facility Provider's Right To Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination" and "Redemption of the 2014 Series A Bonds—Mandatory—Mandatory Redemption Following an Event of Termination" and "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT."

The Mortgagor

The Mortgagor is Triborough Preservation LLC, a New York limited liability company that has been formed for the specific purpose of acquiring, owning and rehabilitating the Project. As such, the Mortgagor has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is expected that the Mortgagor will not have any sources of funds to make payments on the Mortgage Loan other than revenues generated by the Project.

The sole managing member of the Mortgagor is Triborough Preservation Managers LLC, a New York limited liability company (the "Managing Member") with a .01% interest in the Mortgagor. The Managing Member and or its affiliates or delegates will have responsibility for supervising the operations of the Mortgagor and will be responsible for overseeing the development, rehabilitation, and management of the Project. The Managing Member

is comprised of two entities: L&M PDP Triborough Preservation LLC and NYCHA Triborough Preservation LLC each with a 50% interest. L&M PDP Triborough Preservation LLC is comprised of PDP Triborough Preservation LLC, L&M Triborough Preservation LLC, each with a fifty percent interest in L&M PDP Triborough Preservation LLC. The sole members of PDP Triborough Preservation LLC are K&R Preservation LLC and BFC PRES DEV LLC. BFC PRES DEV LLC is owned by Donald Cappocia, Joseph Ferrara and Brandon Baron. K&R Preservation LLC is owned by Francine Kellman and Brian Raddock. BFC Partners and K&R Preservation has constructed thousands of rental and home ownership units in New York City including the rehabilitation of over 500 units of Section 8 assisted Housing. The sole member of L&M Triborough Preservation LLC is L&M Development Partners Inc. The principals of L&M Development Partners Inc. are Ronald Moelis and Sanford Loewentheil. L&M Development Partners Inc. and affiliates have developed or rehabilitated over 15,000 units in the New York City Metropolitan area at a cost in excess of \$3,000,000,000. The sole member of NYCHA Triborough Preservation LLC is NYCHA III Parent Housing Development Fund Corporation, which is a not for profit corporation formed in 2012 whose sole purpose is to develop housing for persons of low income. The sole member of NYCHA III Parent Housing Development Fund Corporation is the New York City Housing Authority. NYCHA Parent III Housing Development Fund Corporation is also the sole member of another not for profit corporation which has 50% of a general partnership interest in another low income housing property in NYC.

Each of L&M PDP Triborough Preservation LLC, NYCHA Triborough Preservation LLC, PDP Triborough Preservation LLC, and L&M Triborough Preservation LLC is a newly formed entity that has not previously engaged in other business operations and has no historical earnings nor assets other than the interests described above.

The guarantors of certain obligations under the Mortgage Loan are expected to be Donald Cappocia, Joseph Ferrara, Brandon Baron, Francine Kellman, Brian Raddock and L&M Development Partners Inc. The owners of the 2014 Series A Bonds will not have any rights with respect to said guarantees and the obligations thereunder.

Fee title to the Project will be held for the benefit of the Mortgagor by NYCHA Triborough Preservation Housing Development Fund Corporation, a not for profit corporation whose sole member is NYCHA III Parent Housing Development Fund Corporation.

On the date of issuance of the 2014 Series A Bonds, the initial members of the Mortgagor are expected to be Triborough Preservation Managers LLC and a Wells Fargo Bank investor entity. The Wells Fargo Bank investor entity has agreed to contribute capital to the Mortgagor in return for the receipt of low income housing tax credit benefits. The members of the Mortgagor have the right to transfer their interests in the Mortgagor to an affiliate or to an unrelated entity subject to any applicable provisions of the financing documents and the Mortgagor's operating agreement.

FANNIE MAE

Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder-owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage-backed securities ("MBS"), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

On September 6, 2008, Fannie Mae's safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae.

On September 7, 2008 Fannie Mae, through its conservator, entered into two agreements with the U.S. Department of the Treasury (“Treasury”) – a Senior Preferred Stock Purchase Agreement (“Stock Purchase Agreement”) and a Common Stock Warrant (“Warrant”). Pursuant to the Stock Purchase Agreement, Fannie Mae issued to Treasury 1,000,000 shares of Senior Preferred Stock with an initial liquidation preference of \$1,000 per share. Under the terms of the Warrant Treasury may purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae.

The Senior Preferred Stock and the Warrant were issued to Treasury as an initial commitment fee for Treasury’s commitment (the “Commitment”), set forth in the Stock Purchase Agreement, to provide funds to Fannie Mae under the terms and conditions set forth therein. Fannie Mae generally may draw funds under the Commitment on a quarterly basis if Fannie Mae’s total liabilities exceed its total assets on its consolidated balance sheet calculated in accordance with generally accepted accounting principles as of the end of a quarter. As of November 10, 2014, the amount of remaining funding from Treasury that is available under the Commitment is \$117.6 billion.

The Senior Preferred Stock provides for the quarterly payment of dividends. Fannie Mae’s dividend payments on the Senior Preferred Stock for a dividend period are based on Fannie Mae’s net worth, if any, as of the end of the immediately preceding fiscal quarter. If Fannie Mae does not have a positive net worth as of the end of the immediately preceding fiscal quarter, or if Fannie Mae’s net worth does not exceed a specified capital reserve at the end of the immediately preceding fiscal quarter, then no dividend will accrue or be payable for the applicable dividend period on the Senior Preferred Stock. If Fannie Mae does have a positive net worth as of the end of the immediately preceding fiscal quarter in excess of a specified capital reserve amount, such amount, if declared, is to be paid to the holder of the Senior Preferred Stock as a dividend in accordance with the terms of the Senior Preferred Stock.

The Stock Purchase Agreement and the Warrant contain covenants that significantly restrict Fannie Mae’s business activities. These covenants include a prohibition on the issuance of equity securities (except in limited instances), a prohibition on the payment of dividends or other distributions on Fannie Mae’s equity securities (other than the Senior Preferred Stock or the Warrant), a prohibition on Fannie Mae’s issuance of subordinated debt securities, and limitations on the amount of debt securities Fannie Mae may have outstanding and the size of Fannie Mae’s mortgage assets portfolio.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents before making an investment decision.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the “SEC”). Fannie Mae’s SEC filings are available at the SEC’s website at www.sec.gov, and are also available on Fannie Mae’s web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae incorporates by reference the following documents Fannie Mae has filed, or may file with the SEC:

- Fannie Mae’s Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended March 31, 2014, filed with the SEC on May 8, 2014; and
- Fannie Mae's Form 10-Q for the quarterly period ended June 30, 2014, filed with the SEC on August 7, 2014; and
- Fannie Mae's Form 10-Q for the quarterly period ended September 30, 2014, filed with the SEC on November 6, 2014; and
- all other proxy statements that Fannie Mae files with the SEC, and all documents Fannie Mae files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of securities under the Official Statement, excluding any information "furnished" to the SEC on Form 8-K.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the 2014 Series A Bonds for any investor, the feasibility of performance of the project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the 2014 Series A Bonds is limited to issuing and discharging its obligations under the Credit Enhancement Instrument and exercising the rights reserved to it in the Resolution and the Reimbursement Agreement.

DESCRIPTION OF THE 2014 SERIES A BONDS

General

Each Series of the 2014 Series A Bonds will be dated and will mature as set forth on the inside cover page of this Official Statement. The 2014 Series A Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). See "BOOK-ENTRY ONLY SYSTEM." U.S. Bank National Association, located in New York, New York is the Trustee for the 2014 Series A Bonds.

Each Series of the 2014 Series A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the 2014 Series A Bonds will accrue from their dated date and be payable on May 15 and November 15 in each year, commencing May 15, 2015, at the rates per annum set forth on the inside cover page of this Official Statement. Interest on the 2014 Series A Bonds will be computed on the basis of a 360-day year of twelve 30-day months. If the date for payment of interest on or principal or Redemption Price of the 2014 Series A Bonds is a day other than a Business Day, then payment may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for payment, and in the case of such payment no interest shall accrue for the period from the date originally fixed for payment to such next succeeding Business Day.

Redemption of the 2014 Series A Bonds - Mandatory

Special Redemption from Certain Recoveries of Principal

Each Series of the 2014 Series A Bonds is subject to mandatory redemption, in whole or in part, at any time prior to maturity, in an amount not in excess of any Recoveries of Principal (other than the advance payment of amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor), at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

Each Series of the 2014 Series A Bonds is subject to mandatory redemption, in whole or in part, at any time prior to maturity on or after November 15, 2023, at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing Recoveries of Principal deposited in the Redemption Account and

resulting from the advance payment of amounts to become due pursuant to the Mortgage Loan, at the option of the Mortgagor.

Mandatory Redemption Following an Event of Default

The 2014 Series A Bonds are subject to mandatory redemption, in whole, without notice, upon a declaration of acceleration by the Trustee as a remedy for an Event of Default under the Resolution, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Series A Bonds to be redeemed, plus accrued interest to the Redemption Date (which Redemption Date shall be the date of such declaration of acceleration).

Mandatory Redemption Following an Event of Termination

Each Series of the 2014 Series A Bonds is subject to mandatory redemption, in whole or in part, at the written direction of the Credit Facility Provider upon a declaration of acceleration by the Trustee as a remedy for an Event of Termination under the Resolution, at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date (which Redemption Date shall be the date of such declaration of acceleration).

Sinking Fund Redemption for the 2014 Series A-1 Bonds

The 2014 Series A-1 Bonds maturing on November 15, 2029 are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 15 and November 15 of each year the principal amount of such 2014 Series A-1 Bonds specified for each of the Redemption Dates shown below:

2014 SERIES A-1 BONDS
MATURING ON NOVEMBER 15, 2029

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
May 15, 2026	\$2,175,000	May 15, 2028	\$2,375,000
Nov. 15, 2026	2,225,000	Nov. 15, 2028	2,425,000
May 15, 2027	2,270,000	May 15, 2029	2,480,000
Nov. 15, 2027	2,320,000	Nov. 15, 2029 [†]	2,535,000

[†] Stated maturity.

The 2014 Series A-1 Bonds maturing on November 15, 2034 are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 15 and November 15 of each year the principal amount of such 2014 Series A-1 Bonds specified for each of the Redemption Dates shown below:

2014 SERIES A-1 BONDS
MATURING ON NOVEMBER 15, 2034

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
May 15, 2030	\$2,590,000	Nov. 15, 2032	\$2,905,000
Nov. 15, 2030	2,650,000	May 15, 2033	2,975,000
May 15, 2031	2,710,000	Nov. 15, 2033	3,045,000
Nov. 15, 2031	2,775,000	May 15, 2034	3,115,000
May 15, 2032	2,840,000	Nov. 15, 2034 [†]	3,190,000

[†] Stated maturity.

The 2014 Series A-1 Bonds maturing on November 15, 2039 are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 15 and November 15 of each year the principal amount of such 2014 Series A-1 Bonds specified for each of the Redemption Dates shown below:

2014 SERIES A-1 BONDS
MATURING ON NOVEMBER 15, 2039

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
May 15, 2035	\$3,265,000	Nov. 15, 2037	\$3,680,000
Nov. 15, 2035	3,345,000	May 15, 2038	3,770,000
May 15, 2036	3,425,000	Nov. 15, 2038	3,865,000
Nov. 15, 2036	3,510,000	May 15, 2039	3,960,000
May 15, 2037	3,595,000	Nov. 15, 2039 [†]	4,055,000

[†] Stated maturity.

The 2014 Series A-1 Bonds maturing on November 15, 2044 are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 15 and November 15 of each year the principal amount of such 2014 Series A-1 Bonds specified for each of the Redemption Dates shown below:

**2014 SERIES A-1 BONDS
MATURING ON NOVEMBER 15, 2044**

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
May 15, 2040	\$4,155,000	Nov. 15, 2042	\$4,705,000
Nov. 15, 2040	4,260,000	May 15, 2043	4,820,000
May 15, 2041	4,365,000	Nov. 15, 2043	4,940,000
Nov. 15, 2041	4,475,000	May 15, 2044	5,065,000
May 15, 2042	4,590,000	Nov. 15, 2044 [†]	69,935,000

[†] Stated maturity.

The amounts accumulated for each Sinking Fund Payment may be applied by the Trustee, at the direction of the Corporation, prior to the forty-fifth day preceding the due date of such Sinking Fund Payment, to the purchase of the 2014 Series A-1 Bonds to be redeemed from such Sinking Fund Payments, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest to the date of purchase.

Upon the purchase or redemption of any 2014 Series A-1 Bonds for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments, an amount equal to the principal amount of the 2014 Series A-1 Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the 2014 Series A-1 Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption.

Redemption of the 2014 Series A Bonds - Optional

Optional Redemption. Each Series of the 2014 Series A Bonds is subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity on or after November 15, 2023, at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Series A Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

Special Redemption. Each Series of the 2014 Series A Bonds is subject to redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, in an amount not in excess of amounts on deposit in the Bond Proceeds Account representing unexpended amounts allocable to such 2014 Series A Bonds that are not used to finance the Mortgage Loan, at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Series A Bonds or portions thereof to be so redeemed, plus interest accrued thereon to the Redemption Date.

Selection of 2014 Series A Bonds to be Redeemed

If less than all of the 2014 Series A Bonds of the same Series are to be redeemed at the option of the Corporation or from Recoveries of Principal, the Corporation shall select the maturity or maturities of the 2014 Series A Bonds to be redeemed from among such 2014 Series A Bonds. In the event of redemption of less than all Outstanding 2014 Series A Bonds of a Series of like maturity, the Trustee shall select the 2014 Series A Bonds to be

redeemed in authorized denominations by lot, using such method as it shall determine in its sole discretion. For the purposes of this section, 2014 Series A Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

The foregoing notwithstanding, (i) for so long as any Credit Agreement shall be in full force and effect, the first 2014 Series A Bonds to be redeemed shall be Purchased Bonds and (ii) no 2014 Series A Bond shall be selected for redemption if the portion of such 2014 Series A Bond remaining after such redemption would not be in a denomination authorized by the Resolution.

Notice of Redemption

When the Trustee receives notice from the Corporation of its election or direction to redeem 2014 Series A Bonds, or is required pursuant to the Resolution to redeem 2014 Series A Bonds, the Trustee is to give notice, in the name of the Corporation, of the redemption of such 2014 Series A Bonds. Such notice is to specify, among other things, the 2014 Series A Bonds to be redeemed, the Redemption Price, the Redemption Date, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable. The Trustee is to mail a copy of such notice postage prepaid to the registered owners of any 2014 Series A Bonds or portions of 2014 Series A Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry book not less than thirty (30) days before the Redemption Date for such 2014 Series A Bonds. The foregoing provisions of this paragraph do not apply in the case of any redemption of 2014 Series A Bonds of which, pursuant to the Resolution, notice is not required to be given. Interest shall cease to accrue and be payable on the 2014 Series A Bonds from and after the Redemption Date if notice has been given, or is not required to be given, if the conditions precedent to the redemption, if any, have been satisfied, and if sufficient moneys have been deposited with the Trustee to pay the applicable Redemption Price and interest on the 2014 Series A Bonds on such date. So long as the 2014 Series A Bonds are in book-entry only form, notice of redemption shall only be given to DTC. See “BOOK—ENTRY ONLY SYSTEM.”

Corporation’s Right to Purchase

The Corporation retains the right to purchase the 2014 Series A Bonds at such times, in such amounts and at such prices less than or equal to par as the Corporation shall determine, subject to the provisions of the Resolution, and thereby reduce its obligations, including Sinking Fund Payments, if any, for the 2014 Series A Bonds.

Purchase of the 2014 Series A Bonds

Credit Facility Provider’s Right to Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination

Pursuant to the Resolution, upon the receipt by the Trustee of written notice from the Credit Facility Provider that one or more events of default have occurred under the Reimbursement Agreement (defined in the Resolution as an “Event of Termination”), the Credit Facility Provider may, in lieu of specifying a date on which all or a portion of the 2014 Series A Bonds are to be redeemed, specify a date on which all or a portion of the 2014 Series A Bonds shall be subject to mandatory tender for purchase (the “2014 Series A Mandatory Tender Date”), as a remedy for such Event of Termination under the Resolution, which 2014 Series A Mandatory Tender Date shall not be earlier than fifteen (15) days following receipt by the Trustee of the direction to purchase such 2014 Series A Bonds; provided, however, that if the Credit Facility Provider shall have directed that the mandatory tender for purchase of the 2014 Series A Bonds be for a portion of the 2014 Series A Bonds, only such portion of the 2014 Series A Bonds shall be subject to mandatory tender for purchase by the owners thereof on such 2014 Series A Mandatory Tender Date, and the particular 2014 Series A Bonds to be tendered (which shall be in authorized denominations) shall be selected by the Trustee by lot, using such method as it shall determine in its sole discretion, except that the Trustee shall not select any 2014 Series A Bond for tender which would result in any remaining 2014 Series A Bonds not being in an authorized denomination as provided in the Resolution. Upon receipt of such written notice from the Credit Facility Provider, the Trustee shall immediately deliver to the owner of each affected 2014 Series A Bond a notice of mandatory tender for purchase by overnight express mail or courier service. Any

notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. See “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT.”

Any notice of mandatory tender of 2014 Series A Bonds relating to an Event of Termination specified by the Credit Facility Provider shall set forth, in substance, the 2014 Series A Mandatory Tender Date and the reason therefor, that all owners of affected 2014 Series A Bonds shall be deemed to have tendered their 2014 Series A Bonds for purchase on the 2014 Series A Mandatory Tender Date and the Purchase Price for the affected 2014 Series A Bonds. Owners of affected 2014 Series A Bonds shall be required to tender their 2014 Series A Bonds to the Tender Agent for purchase at the Purchase Price with an appropriate endorsement for transfer to the Tender Agent or accompanied by a bond power endorsed in blank. Any affected 2014 Series A Bonds that have not been delivered to the Tender Agent for purchase on or prior to the applicable 2014 Series A Mandatory Tender Date (“Undelivered 2014 Series A Bonds”) for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of the Undelivered 2014 Series A Bonds shall be deemed to have been purchased at the Purchase Price on such 2014 Series A Mandatory Tender Date. IN THE EVENT OF A FAILURE BY AN OWNER OF ANY AFFECTED 2014 SERIES A BONDS TO DELIVER ITS 2014 SERIES A BONDS ON OR PRIOR TO THE 2014 SERIES A MANDATORY TENDER DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO SUCH 2014 SERIES A MANDATORY TENDER DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED 2014 SERIES A BONDS, AND ANY UNDELIVERED 2014 SERIES A BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTION, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

Delivery of 2014 Series A Bonds in Book-Entry Form

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2014 Series A Bond is held in book-entry form, such 2014 Series A Bond need not be delivered in connection with any mandatory tender of 2014 Series A Bonds described under “DESCRIPTION OF THE 2014 SERIES A BONDS.” In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2014 Series A Bonds on the date designated for such payment, without further action by the Beneficial Owner, and transfer of beneficial ownership shall be made in accordance with the procedures of DTC. See “BOOK-ENTRY ONLY SYSTEM”.

Effect of Loss of Tax Exemption

The Corporation has covenanted in the Resolution that it shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the 2014 Series A-1 Bonds shall be excluded from gross income for Federal income tax purposes. In furtherance thereof, the Corporation is to enter into the Regulatory Agreement with the Mortgagor to assure compliance with the Code. However, no assurance can be given that in the event of a breach of any such covenants, or noncompliance with the procedures or certifications set forth therein, the remedies available to the Corporation and/or Bond owners can be judicially enforced in such manner as to assure compliance with the above-described requirements and therefore to prevent the loss of the exclusion of interest from gross income for Federal income tax purposes. Any loss of such exclusion of interest from gross income may be retroactive to the date from which interest on the 2014 Series A-1 Bonds is payable. See “TAX MATTERS.” *Pursuant to the Resolution, the loss of such exclusion of interest from gross income would not, in and of itself, result in a mandatory tender or redemption of all or a portion of the 2014 Series A-1 Bonds. However, a default by the Mortgagor under the Regulatory Agreement would give rise to an event of default under the Reimbursement Agreement. In such an event, the Credit Facility Provider would have the right, in its sole and absolute discretion, to cause a mandatory tender or redemption of all or a portion of the 2014 Series A-1 Bonds. See “DESCRIPTION OF THE 2014 SERIES A BONDS – Purchase of the 2014 Series A Bonds – Credit Facility Provider’s Right to Cause a Mandatory Tender for Purchase of 2014 Series A Bonds Upon an Event of Termination” and “–Redemption of the 2014 Series A Bonds - Mandatory – Mandatory Redemption Following an Event of Termination.”*

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as the securities depository for the 2014 Series A Bonds. The 2014 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 2014 Series A Bond certificate will be issued for each Series and maturity of the 2014 Series A Bonds, in the aggregate principal amount of the 2014 Series A Bonds of each Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million U.S. and non-U.S. equity 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, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”, and together with Direct Participants, “Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2014 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Series A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2014 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 2014 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 2014 Series A Bonds, except in the event that use of the book-entry system for such 2014 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2014 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 2014 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 2014 Series A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2014 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.

Redemption notices shall be sent to DTC. If less than all of a Series and maturity of the 2014 Series A Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in the such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 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 2014 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2014 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 Underwriters, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2014 Series A Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such 2014 Series A Bonds by causing the Direct Participant to transfer the Participant's interest in such 2014 Series A Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of the 2014 Series A Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the 2014 Series A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2014 Series A Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to a Series of the 2014 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, 2014 Series A Bond certificates of such Series 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, 2014 Series A Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the 2014 Series A Bonds of a Series, 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 UNDERWRITERS, 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 2014 SERIES A BONDS OF SUCH SERIES.**

So long as Cede & Co. is the registered owner of the 2014 Series A Bonds of a Series, as nominee for DTC, references herein to the Bondholders or registered owners of the 2014 Series A Bonds of such Series (other than under the caption "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2014 Series A Bonds of such Series.

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 2014 Series A Bonds of a Series, 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 2014 Series A Bonds of a Series if the Corporation determines that (i) DTC is unable to discharge its responsibilities with respect to the 2014 Series A Bonds of such Series, 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, 2014 Series A Bond certificates will be delivered as described in the Resolution.

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2014 Series A Bond is held in book-entry form, such 2014 Series A Bond need not be delivered in connection with any mandatory tender of 2014 Series A Bonds described under “DESCRIPTION OF THE 2014 SERIES A BONDS.” In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2014 Series A Bonds on the date designated for such payment, without further action by the Beneficial Owner who delivered notice, and, notwithstanding the description of mandatory tender of 2014 Series A Bonds contained under “DESCRIPTION OF THE 2014 SERIES A BONDS,” transfer of beneficial ownership shall be made in accordance with the procedures of DTC.

NONE OF THE CORPORATION, THE UNDERWRITERS 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 2014 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 2014 SERIES A BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2014 SERIES A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2014 SERIES A BONDS; OR (VI) ANY OTHER MATTER.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2014 Series A Bonds will be used to fund the Mortgage Loan to the Mortgagor in the principal amount equal to the principal amount of the 2014 Series A Bonds, which amount will be used to finance a portion of the costs of the acquisition, renovation and equipping of the Project and to pay certain other costs of the Mortgagor including the costs of issuance of the 2014 Series A Bonds, including the Underwriters’ fee in an amount equal to \$1,706,421.23. Subject to satisfying certain conditions specified in the Resolution and the Reimbursement Agreement, the Mortgagor expects to draw all of the Mortgage Loan upon the issuance of the 2014 Series A Bonds.

To the extent any proceeds of the 2014 Series A Bonds are not used to fund the Mortgage Loan, such amounts may be used to redeem a portion of the 2014 Series A Bonds. See “DESCRIPTION OF THE 2014 SERIES A BONDS—Redemption of 2014 Series A Bonds—Optional—Special Redemption.”

SECURITY FOR THE BONDS

Pledge of the Resolution

The Resolution constitutes a contract among the Corporation, the Trustee and the owners of the 2014 Series A Bonds issued thereunder and its provisions are for (i) the equal benefit, protection and security of the owners of all such Bonds, each of which, regardless of the time of issue or maturity, is to be of equal rank without preference, priority or distinction except as provided in the Resolution and (ii) the benefit of the Credit Facility Provider, as provided in the Resolution.

The Bonds are special obligations of the Corporation payable from the Revenues and amounts on deposit in the Accounts (other than amounts deposited in or to be deposited in the Rebate Fund) as described herein. In addition, the 2014 Series A Bonds, as and to the extent provided in the Credit Facility, are payable from amounts obtained under the Credit Enhancement Instrument. Payment of the principal or Redemption Price of and interest on all Bonds is secured by a pledge of the Revenues, which consists of all payments received by the Corporation from or on account of the Mortgage Loan, including scheduled, delinquent and advance payments of principal and interest, proceeds from the sale, assignment, or other disposition of the Mortgage Loan in the event of a default thereon, proceeds of any insurance or condemnation award, and income derived from the investment of funds held by the Trustee in Accounts established under the Resolution, including earnings and gains received by the Trustee pursuant to any investment agreement. Revenues do not, however, include any administrative or financing fee paid to the Corporation, other escrow deposits or financing, extension, late charges or settlement fees of the Servicer of the Mortgage Loan or the Credit Facility Provider on account of the Mortgage Loan. Payment of the Bonds is also secured by a pledge by the Corporation of all amounts held in any Accounts (other than amounts deposited in or to be deposited in the Rebate Fund) established pursuant to the Resolution (including the investments of such Accounts, if any). The Credit Facility Provider shall have certain rights with respect to, among other things, extensions, remedies, waivers, amendments and actions unless there is a Wrongful Dishonor of the Credit Facility by the Credit Facility Provider or the Credit Facility is no longer in effect, to the extent and as provided in the Resolution.

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

Pursuant to the Resolution and the Assignment, the Corporation will assign and deliver to Fannie Mae and the Trustee, as their interests may appear, subject to the reservation of certain rights by the Corporation, all of its right, title and interest in and to the Mortgage Loan and the Mortgage Documents. Fannie Mae has the right under the Assignment to direct the Trustee to assign the Mortgage Notes and the Mortgage to Fannie Mae in certain events.

Credit Enhancement Instrument

The Credit Enhancement Instrument constitutes a “Credit Facility” under the Resolution, and Fannie Mae constitutes a “Credit Facility Provider” under the Resolution.

The following description of the Credit Enhancement Instrument does not purport to be complete or to cover all sections of the Credit Enhancement Instrument. Reference is made to the Credit Enhancement Instrument, on file with the Trustee, for the complete terms thereof and the rights, duties and obligations of Fannie Mae and the Trustee thereunder.

FANNIE MAE’S OBLIGATIONS WITH RESPECT TO THE 2014 SERIES A BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT INSTRUMENT. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT ENHANCEMENT INSTRUMENT WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2014 SERIES A BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE

UNITED STATES OF AMERICA OR OF FANNIE MAE. THE 2014 SERIES A BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Fannie Mae will advance funds under the Credit Enhancement Instrument to the Trustee with respect to the payment of (i) the principal (without premium) of the 2014 Series A Bonds when due by reason of acceleration, redemption, defeasance or stated maturity, (ii) up to 183 days' interest (computed at the highest interest rate borne by the 2014 Series A Bonds as stated on the inside front cover hereof) on the 2014 Series A Bonds when due on or prior to their stated maturity date and (iii) the Fee Component if such fee is not paid to the Corporation in a timely manner.

To the extent of advances made under the Credit Enhancement Instrument with respect to the payment of the principal amount of the 2014 Series A Bonds, the obligations of Fannie Mae under the Credit Enhancement Instrument to pay principal, interest thereon and the Fee Component will be correspondingly reduced, but with respect to advances made under the Credit Enhancement Instrument with respect to the Fee Component and the payment of interest on 2014 Series A Bonds not made in connection with the payment of principal, the Fee Component and the interest component of the Credit Enhancement Instrument will be automatically reinstated.

Fannie Mae will also advance funds under the Credit Enhancement Instrument to the Trustee up to the principal amount of the 2014 Series A Bonds and interest thereon (computed at the highest interest rate borne by the 2014 Series A Bonds as stated on the inside front cover hereof) for up to 183 days in order to pay the Purchase Price of 2014 Series A Bonds tendered pursuant to a mandatory tender of 2014 Series A Bonds resulting from an Event of Termination.

To receive payment under the Credit Enhancement Instrument, the Trustee must make a presentation of certain payment documents under the Credit Enhancement Instrument on or prior to the expiration date of the Credit Enhancement Instrument at the appropriate office of Fannie Mae. The Credit Enhancement Instrument will expire at 4:00 p.m. Eastern time on November 20, 2044 (the "Credit Enhancement Instrument Expiration Date," which is five days after the final maturity of the 2014 Series A Bonds). The Credit Enhancement Instrument will automatically terminate on the first to occur of: (a) the Credit Enhancement Instrument Expiration Date; (b) the honoring by Fannie Mae of the final draw available to be made under the Credit Enhancement Instrument such that the principal portion of the amount available will be reduced to zero and will not be subject to reinstatement; or (c) receipt of a written notice signed by the Trustee's duly authorized officer stating that none of the related Bonds are Outstanding under the Resolution.

Additional Bonds

Additional Bonds, on parity with the 2014 Series A Bonds then Outstanding, may be issued by the Corporation pursuant to the Resolution for any one or more of the following purposes: (i) financing increases in the Mortgage Loan, (ii) refunding Bonds, (iii) establishing reserves for such Additional Bonds, and (iv) paying the costs of issuance related to such Additional Bonds. For so long as any Credit Facility shall be in effect for the 2014 Series A Bonds, no Additional Bonds shall be issued unless such Additional Bonds are secured by the same Credit Facility, provided by the same Credit Facility Provider, in effect for the 2014 Series A Bonds, as such Credit Facility shall be amended, extended or replaced in connection with the issuance of such Additional Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Additional Bonds" herein.

Bonds Not a Debt of the State or the City

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

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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

Contract With Bond Owners – Security for Bonds – Limited Obligation

In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of the Resolution shall constitute a contract among the Corporation, the Trustee and the owners from time to time of the Bonds. The pledges and assignments made in the Resolution and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Corporation shall be for (i) the equal benefit, protection and security of the owners of any and all of the Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Resolution and (ii) the benefit of the Credit Facility Provider, as provided in the Resolution. The Corporation pledges the Revenues and all amounts held in any Account, including investments thereof, established under the Resolution, to the Trustee for the benefit of the Bond owners and the Credit Facility Provider to secure (i) the payment of the principal or Redemption Price of and interest on the Bonds (including the Sinking Fund Payments for the retirement thereof) and (ii) all obligations owed to the Credit Facility Provider under the Reimbursement Agreement, the Assignment and the Assigned Documents (as defined in the Assignment), subject to provisions permitting the use or application of such amounts for stated purposes, as provided in the Resolution and the Assignment. The foregoing pledge does not include amounts on deposit or required to be deposited in the Rebate Fund. The Corporation also assigns to the Trustee on behalf of the Bond owners and to the Credit Facility Provider, as their interests may appear and in accordance with the terms of the Assignment, all of its right, title and interest in and to the Mortgage Loan and the Assigned Documents, except as otherwise provided in the Assignment, including but not limited to all rights to receive payments on the Mortgage Note and under the Mortgage Documents, including all proceeds of insurance or condemnation awards. The Bonds shall be special revenue obligations of the Corporation payable solely from the revenues and assets pledged under the Resolution. In addition, the Bonds shall, as and to the extent provided in the Credit Facility, be payable from Credit Facility Payments; provided, however, that the Credit Facility and the proceeds thereof shall not secure or provide liquidity for Bonds during any period they are Purchased Bonds.

Provisions for Issuance of Bonds

In order to provide sufficient funds to finance the Mortgage Loan, pay certain costs related thereto and pay certain additional costs of the Project, Bonds of the Corporation are authorized to be issued without limitation as to amount except as may be provided by law. The Bonds shall be executed by the Corporation for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered upon the order of the Corporation, but only upon the receipt by the Trustee of, among other things:

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

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

(c) the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to the Resolution;

(d) with respect to the 2014 Series A Bonds or if required with respect to any Additional Bonds, the Credit Facility;

(e) with respect to the 2014 Series A Bonds, executed copies of the Assignment, the Loan Agreement, the Regulatory Agreement, the Mortgage, the Mortgage Note and the Credit Agreement, and with respect to Additional Bonds, such documents as are specified in the Supplemental Resolution authorizing the same; and

(f) such further documents and moneys as are required by the provisions of the Resolution or any Supplemental Resolution.

Additional Bonds

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

For so long as a Credit Facility shall be in effect for the 2014 Series A Bonds, no Additional Bonds shall be issued unless such Bonds are secured by the same Credit Facility in effect for the 2014 Series A Bonds, as such Credit Facility shall be amended, extended or replaced in connection with the issuance of such Additional Bonds.

Application and Disbursements of Bond Proceeds

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

(1) the amount, if any, received at such time as a premium above the aggregate principal amount of such Bonds shall be applied as specified in a Certificate of an Authorized Officer of the Corporation, and the amount, if any, received as accrued interest shall be deposited in the Revenue Account;

(2) with respect to any Series issued for the purpose of refunding Bonds, the amount, if any, required to pay Costs of Issuance, as designated by an Authorized Officer of the Corporation, shall be deposited in the Bond Proceeds Account;

(3) with respect to any Series issued for the purpose of refunding Bonds, the balance remaining after such deposits have been made as specified in (1) and (2) above shall be applied as specified in the Supplemental Resolution authorizing such Series;

(4) with respect to the 2014 Series A Bonds, the balance remaining after such deposits have been made as specified in (1) above shall be deposited in the Bond Proceeds Account; and

(5) with respect to any Series of Bonds (other than the 2014 Series A Bonds) issued for a purpose other than refunding Bonds, the balance remaining after such deposits have been made shall be deposited in the Bond Proceeds Account.

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

Deposits and Investments

Any amounts held by the Trustee under the Resolution may be deposited in the corporate trust department of the Trustee and secured as provided in the Resolution. In addition, any amount held by the Trustee under the Resolution may be invested in Investment Securities. In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at amortized value or if purchased at par, at par.

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

Any other provisions of the Resolution notwithstanding, amounts on deposit in the Credit Facility Payments Sub-Account, pending application, (i) so long as the Credit Facility is in effect, shall be held uninvested, and (ii) at all other times, may only be invested in Government Obligations maturing or being redeemable at the option of the holder thereof in the lesser of thirty (30) days or the times at which such amounts are needed to be expended.

Establishment of Accounts

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

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

Bond Proceeds Account

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

Amounts in the Bond Proceeds Account shall be expended only: (i) to finance the Mortgage Loan; (ii) to pay Costs of Issuance; (iii) to pay principal or Redemption Price of and interest on the Bonds when due, to the extent amounts in the Revenue Account and the Redemption Account are insufficient for such purposes; (iv) to purchase or redeem Bonds in accordance with the Resolution; and (v) to reimburse the Credit Facility Provider for moneys obtained under the Credit Facility for the purposes set forth in (iii) above.

Revenue Account

Subject to the provisions of the Assignment, the Corporation shall cause all Pledged Receipts to be deposited promptly with the Trustee in the Revenue Account. During the term of the Credit Facility, the Trustee

shall obtain moneys under the Credit Facility in accordance with the terms thereof, in a timely manner and in amounts sufficient to pay the principal or Redemption Price of and interest on the Bonds covered by the Credit Facility, as such become due, whether at maturity or upon redemption or acceleration or on an Interest Payment Date or otherwise, and shall deposit such amounts in the Credit Facility Payments Sub-Account. In addition, during the term of the Credit Facility, the Trustee, at the direction of the Corporation, shall obtain moneys under the Credit Facility in accordance with the terms thereof, in amounts specified by the Corporation to pay such portion of the Administrative Fee due and owing to the Corporation as is secured by the Credit Facility, and shall promptly transfer all such amounts to the Corporation. Moneys held in the Credit Facility Payments Sub-Account shall not be commingled with moneys held in any other Account or Sub-Account. There shall also be deposited in the Revenue Account any other amounts required to be deposited therein pursuant to the Resolution, any Supplemental Resolution, the Mortgage Documents and the Loan Agreement.

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

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

After payment of the Principal Installments, if any, and interest due on the Outstanding Bonds has been made, and to the extent payments on the Bonds are made from the source described in subparagraph (1) above, amounts available from the sources described in subparagraphs (2) through (5) above, in the order of priority indicated, shall be used immediately to reimburse the Credit Facility Provider for amounts obtained under the Credit Facility and so applied.

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

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

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

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

On each Interest Payment Date, the Trustee shall transfer from the Revenue Account (after providing for all payments required to have been made prior thereto pursuant to the Resolution) (i) first, to the Trustee, an amount equal to that portion of the Trustee's unpaid annual fees then due and owing, (ii) second, to the Tender Agent, an amount equal to that portion of the Tender Agent's unpaid annual fees then due and owing, (iii) third, to the Remarketing Agent, an amount equal to that portion of the Remarketing Agent's unpaid annual fees then due and owing, (iv) fourth, to the Corporation, an amount equal to that portion of the Administrative Fee then due and owing, (v) fifth, if so directed by the Corporation, to the Trustee, an amount equal to the Trustee's unpaid fees and expenses (other than as set forth in (i) above), (vi) sixth, if so directed by the Corporation, to the Tender Agent, an amount equal to the Tender Agent's unpaid fees and expenses (other than as set forth in (ii) above), (vii) seventh, if so directed by the Corporation, to the Remarketing Agent, an amount equal to the Remarketing Agent's unpaid fees and expenses (other than as set forth in (iii) above), (viii) eighth, if so directed by the Corporation or the Credit Facility Provider, to the Servicer an amount equal to the Servicer's unpaid fees and expenses, (ix) ninth, if so directed by the Corporation or the Credit Facility Provider, to the Credit Facility Provider, an amount equal to any fees and expenses due and owing to the Credit Facility Provider pursuant to the Credit Agreement, and (x) tenth, to the Corporation, fees and other expenses to the extent unpaid. The amount remaining after making the transfers or payments required hereinabove shall be retained in the Revenue Account. Such remaining balance shall be paid to, or upon the order of, the Mortgagor, free and clear of the lien and pledge of this Resolution, but not to the Mortgagor if the Trustee receives either (i) a Certificate from the Corporation stating that an event of default exists under the Regulatory Agreement, the Commitment or, with respect to the Reserved Rights (as defined in the Loan Agreement) only, the Loan Agreement and directing that the remaining balance otherwise payable to the Mortgagor shall be retained in the Revenue Account, or (ii) a Certificate from the Credit Facility Provider stating that an event of default exists under the Credit Agreement and directing that the remaining balance otherwise payable to the Mortgagor shall be retained in the Revenue Account, in which event such remaining balance shall be so retained. If the Trustee receives a Certificate from the Corporation (with respect to clause (i) of the immediately preceding sentence) or the Mortgagor, acknowledged by the Credit Facility Provider (with respect to clause (ii) of the immediately preceding sentence), stating either that the applicable default has been cured or waived, or that the Corporation or the Credit Facility Provider, as the case may be, consents to the use of the remaining balance by payment to the Mortgagor, such remaining balance shall once again be paid to or upon the direction of the Mortgagor, as described above.

Redemption Account

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

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

(1) first, from the Credit Facility Payments Sub-Account, to the extent funds held therein are available for such purpose under the terms of the Credit Facility, and to the extent the moneys therein are insufficient for such purpose;

(2) second, from the Redemption Account, and to the extent the moneys therein are insufficient for such purpose;

(3) third, from the Revenue Account, and to the extent the moneys therein are insufficient for such purpose;

(4) fourth, from the Bond Proceeds Account, and to the extent the moneys therein are insufficient for such purpose; and

(5) fifth, from any other moneys held by the Trustee under the Resolution and available for such purpose.

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

Rebate Fund

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

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

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

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

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

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

Payment of Bonds

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

Tax Covenants

The following covenants are made solely for the benefit of the owners of, and shall be applicable solely to, the 2014 Series A-1 Bonds and any Additional Bonds, as designated in a Supplemental Resolution, to which the Corporation intends that the following covenants shall apply:

The Corporation shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the Bonds shall be excluded from gross income for Federal income tax purposes, except in the event that the owner of any such Bond is a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of the Code.

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

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

Covenants with Respect to the Mortgage Loan

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

Issuance of Additional Obligations

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

Accounts and Reports

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

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

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

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

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

No Disposition of Credit Facility

The Trustee shall not, without the prior written consent of the owners of all of the Bonds then Outstanding, transfer, assign or release the Credit Facility except (i) to a successor Trustee or (ii) to the Credit Facility Provider upon expiration or other termination of the Credit Facility in accordance with its terms, including termination on its stated expiration date or upon payment thereunder of the full amount payable thereunder. Except as aforesaid, the Trustee shall not transfer, assign or release the Credit Facility until the principal of and interest on the Bonds shall have been paid or duly provided for in accordance with the terms of the Resolution. Notwithstanding the foregoing, the substitution described in the definition of the term "Credit Facility" is not prohibited by the foregoing.

Supplemental Resolutions

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

The Corporation may adopt, without the consent of any owners of the Bonds, Supplemental Resolutions to, among other things, provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on the issuance of other evidences of indebtedness; add to the covenants and agreements of or limitations and restrictions on, the Corporation's other covenants and agreements or limitations and restrictions which are not contrary to or inconsistent with the Resolution; surrender any right, power or privilege of the Corporation under the Resolution but only if such surrender is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Resolution; confirm any pledge under the Resolution, of the Revenues or of any other revenues or assets; modify any of the provisions of the Resolution in any respect whatsoever (but no such modification shall be effective until all Bonds theretofore issued are no longer Outstanding); provide for the issuance of Bonds in coupon form payable to bearer; authorize the issuance of Additional Bonds and prescribe the terms and conditions thereof; provide for such changes as are deemed necessary or desirable by the Corporation in connection with either providing a book-entry system with respect to a Series of Bonds or discontinuing a book-entry system with respect to a Series of Bonds; provide for such changes as are deemed necessary or desirable by the Corporation to take effect on a Mandatory Tender Date on which one hundred percent (100%) of the Bonds are subject to mandatory tender; cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Resolution (provided that the Trustee shall consent thereto); comply with the Code; or make any additions, deletions or modifications to the Resolution which, in the opinion of the Trustee, are not materially adverse to the interests of the Bond owners.

Notwithstanding anything to the contrary contained in the Resolution, for so long as the Credit Agreement shall be in full force and effect, no supplement, modification or amendment of the Resolution shall take effect without the prior written consent of the Credit Facility Provider.

Amendments, Changes and Modifications to the Credit Facility.

Subject to the provisions of the Resolution, the Trustee may, without the consent of the owners of the Bonds, consent to any amendment of the Credit Facility which does not prejudice in any material respect the interests of the Bondholders. Prior to consenting to any amendment to the Credit Facility, the Trustee shall be entitled to request and receive an opinion of counsel to the effect that all conditions precedent to such amendment have been satisfied. Except for such amendments, the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority in aggregate principal amount of Outstanding Bonds, except that, without the written consent of the owners of all Outstanding Bonds, no amendment may be made to the Credit Facility which

would reduce the amounts required to be paid thereunder or change the time for payment of such amounts; provided that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

Events of Default and Termination

Each of the following events set forth in clauses (1) through (4) below constitutes an “Event of Default” and the following event set forth in clause (5) below constitutes an “Event of Termination” with respect to the Bonds: (1) payment of the principal or Redemption Price, if any, of or interest on any Bond (other than Purchased Bonds) when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; (2) payment of the Purchase Price of any 2014 Series A Bond (other than Purchased Bonds) tendered in accordance with the Resolution shall not be made when and as the same shall become due; (3) an Act of Bankruptcy of the Corporation; (4) the Corporation shall fail or refuse to comply with the provisions of the Resolution or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Resolution or in any applicable Supplemental Resolution or the Bonds (other than any such default resulting in an Event of Default described in clause (1) or (2) above), and such failure, refusal or default shall continue for a period of 30 days after written notice thereof by the Trustee or the owners of not less than five percent (5%) in principal amount of the Outstanding Bonds, provided that the Credit Facility Provider shall have consented in writing to the same constituting an Event of Default; or (5) receipt by the Trustee of written notice from the Credit Facility Provider that an “Event of Default” has occurred and is continuing under the Credit Agreement, together with a written direction from the Credit Facility Provider to the Trustee to exercise either the remedy set forth in clause (5) of the following paragraph or the remedy set forth in clause (8) of the following paragraph as provided in such direction.

Remedies

Upon the happening and continuance of an Event of Termination specified in the Resolution, the Trustee shall proceed, in its own name pursuant to the direction of the Credit Facility Provider as described in clause (5) of the preceding paragraph, to protect and enforce the remedies of the Bond owners and the Credit Facility Provider by the remedies set forth in either clause (5) or (8) below; provided, however, that the Trustee shall enforce the remedies set forth in clause (5) and clause (8) below within the time limits provided therein. Upon the happening and continuance of any Event of Default specified in clause (1) or (2) of the preceding paragraph, the Trustee, with the prior written consent of the Credit Facility Provider shall proceed, or upon the happening and continuance of any Event of Default specified in clause (3) or (4) of the preceding paragraph, the Trustee, with the prior written consent of the Credit Facility Provider, may proceed and, upon the written direction of the Credit Facility Provider or at the written request of the owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds (together with the written consent of the Credit Facility Provider), shall proceed, in its own name, subject, in each such case, to the provisions of the Resolution, to protect and enforce the rights of the Bond owners by the remedies specified below for particular Events of Default, and such other of the remedies set forth in clauses (1) through (7) below, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners, including the right to require the Corporation to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loan (subject to the provisions of the Assignment) and to require the Corporation to carry out any other covenants or agreements with such Bond owners, and to perform its duties under the Act; (2) by bringing suit upon the Bonds; (3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the owners of the Bonds; (4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; (5) with the prior written consent of the Credit Facility Provider in the case of an Event of Default or upon the written direction described in clause (5) of the preceding paragraph in the case of an Event of Termination and upon immediate notice to the Corporation, the Mortgagor, the Credit Facility Provider and the Servicer, by immediately declaring all Bonds or, with respect to an Event of Termination, a portion of the Bonds in the principal amount specified by the Credit Facility Provider, due and payable whereupon, with respect to any affected 2014 Series A Bonds, such Bonds shall be immediately redeemed, pursuant to the Resolution, provided that upon the happening and continuance of an Event of Default specified in clause (1) or (2) of the preceding paragraph, the Trustee, with the prior written consent of the Credit Facility Provider shall declare all Bonds due and payable; (6) in the event that all Outstanding Bonds are declared due and payable, by selling the Mortgage Loan (subject to the provisions of the Assignment) and any

Investment Securities securing such Bonds; (7) by taking such action with respect to or in connection with the Credit Facility, in accordance with its terms, as the Trustee deems necessary to protect the interests of the owners of the 2014 Series A Bonds; or (8) upon the happening and continuance of an Event of Termination, if so designated by the Credit Facility Provider, by carrying out a purchase of all or a portion of the 2014 Series A Bonds pursuant to the Resolution on a date specified by the Credit Facility Provider, which date shall not be earlier than fifteen (15) days following receipt by the Trustee of such direction.

Anything in the Resolution to the contrary notwithstanding, except as otherwise provided in clause (5) and (8) of the preceding paragraph, the owners of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond owners not parties to such direction and provided, further, that notwithstanding the foregoing, the right of such Bond owners to direct proceedings shall be subject to the rights of the Credit Facility Provider, it being understood that the Credit Facility Provider shall in all cases be entitled to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Resolution so long as the Credit Agreement is in full force and effect and no Wrongful Dishonor shall have occurred and be continuing.

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

Unless remedied or cured, the Trustee shall give to the Bond owners notice of each Event of Default or Event of Termination under the Resolution known to the Trustee within ninety days after actual knowledge by the Trustee of the occurrence thereof; provided that in the case of the 2014 Series A Bonds, such notice need not be given with respect to any 2014 Series A Bonds for which the Trustee has proceeded to carry out a mandatory purchase of such 2014 Series A Bonds as described in clause (8) under the heading "Events of Default and Termination" above or has proceeded to carry out a redemption of such 2014 Series A Bonds as described in clause (5) under the heading "Events of Default and Termination" above. However, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Bonds, or in the making of any payment required to be made into the Bond Proceeds Account, the Trustee may withhold such notice if it determines that the withholding of such notice is in the interest of the Bond owners.

Priority of Payments After Event of Default or Event of Termination

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

(1) Unless the principal of all of such Bonds shall have become or have been declared due and payable, first to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; second, to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any such Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference; and third, to the payment of amounts owed to the Credit Facility Provider under the Reimbursement Agreement or under any other agreement or document securing obligations owed by the Mortgagor to the Credit Facility Provider or otherwise relating to the provision of the Credit Facility, including amounts to reimburse the Credit Facility Provider to the extent it has made payments under the Credit Facility.

(2) If the principal of all such Bonds shall have become or have been declared due and payable, first, to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds, and second, to pay the Credit Facility Provider amounts owed to it under the Reimbursement Agreement, including reimbursement to the extent it has made payments under the Credit Facility

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

Rights of the Credit Facility Provider

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

Payments Due on Days Not Business Days

If the date for making any payment of principal or Redemption Price of or interest on any of the Bonds shall be a day other than a Business Day, then payment of such principal or Redemption Price of or interest on such Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for such payment, and in the case of such payment no interest shall accrue for the period commencing on such date originally fixed for such payment and ending on such next succeeding Business Day.

Defeasance

If the Corporation shall pay or cause to be paid to the owners of all Bonds then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, from Available Moneys, at the times and in the manner stipulated therein and in the Resolution, and if the Corporation shall pay or cause to be paid the fees and expenses of the Trustee and any amounts due and owing to the Credit Facility Provider under the Credit Agreement and any other agreements between the Credit Facility Provider and the Mortgagor relating to the Credit Facility as set forth in a Certificate of the Credit Facility Provider, then the pledge of any Revenues and other moneys,

securities, funds and property hereby pledged and all other rights granted by the Resolution shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which Available Moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. All Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if: (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds; (2) there shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) (I) so long as the Credit Facility is in effect, either (a) Available Moneys in an amount which shall be sufficient, or (b) Investment Securities of the type identified in paragraph (A)(a) of the definition of Investment Securities which are not subject to early redemption and which are purchased with Available Moneys, the principal of and the interest on which when due will provide moneys which, together with the Available Moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, or (II) so long as the Credit Facility is not in effect, either (a) Available Moneys in an amount which shall be sufficient, or (b) Government Obligations purchased with Available Moneys or (c) obligations purchased with Available Moneys (i) validly issued by or on behalf of a state or political subdivision thereof, (ii) the interest on which is excluded from gross income for Federal income tax purposes pursuant to Section 103(a)(1) of the Code and (iii) fully secured by a first lien on Government Obligations, the principal of and the interest on which when due will provide moneys which, together with the Available Moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to give by mail, as soon as practicable, notice to the owners of such Bonds that the deposit required by this paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and the above paragraph and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of said Bonds; provided, however, that the Trustee shall have received at the expense of the Mortgagor (1) an opinion from bankruptcy counsel as and if required under the definition of "Available Moneys"; and (2) an opinion of Bond Counsel to the Corporation to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the exclusion of the interest on any Bonds to which the tax covenants contained in the Resolution apply from gross income for Federal income tax purposes and conforms with the requirements of the Resolution. Upon receipt of written instructions from the Corporation, the Trustee shall obtain funds under the Credit Facility, in accordance with its terms, to make the deposit described in clause (2)(I) of this paragraph. To the extent required for the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds, neither Available Moneys deposited with the Trustee pursuant to this paragraph and the above paragraph nor principal or interest payments on any obligations described in clause (2)(I)(b) above or obligations described in clause (2)(II)(b) or (c) above deposited with the Trustee pursuant to this paragraph and the above paragraph shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds; provided that any cash received from such principal or interest payments on such obligations described in clause (2)(I)(b) above or clause (2)(II)(b) or (c) above, as the case may be, deposited with the Trustee pursuant to this paragraph and the above paragraph, if not then needed for such purpose, shall, to the extent practicable, at the direction of the Corporation, be reinvested in obligations described in clause (2)(I)(b) above or clause (2)(II)(b) or (c) above, respectively, maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, of and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and any Available Moneys deposited with the Trustee pursuant to this paragraph and the above paragraph and principal and interest payments on the obligations described in clause (2)(I)(b) above, or clause (2)(II)(b) or (c) above, as the case may be, if not required for the payment of said Bonds, and after payment of the fees and expenses of the Trustee, the Credit Facility Provider and the Corporation shall, subject to the provisions of the above paragraph, be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge. The Trustee may sell, transfer or otherwise dispose of the obligations

described in clause(2)(I)(b) above or clauses (2)(II)(b) and (c) above, as the case may be, deposited with the Trustee pursuant to this paragraph and the above paragraph; provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other obligations described in clause (2)(I)(b) above, or clauses (2)(II)(b) and (c), respectively, the principal of and the interest on which when due will provide Available Moneys which, together with the moneys on deposit with the Trustee, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, in accordance with this paragraph and the above paragraph.

Amounts held by the Trustee for the payment of principal or Redemption Price of, or interest on, Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be disposed of as provided by applicable law, or, if there shall be no such applicable law, shall be returned to the Corporation 3 years after the date on which payment of such amounts would have been due.

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

The following statements are a brief summary of certain provisions of the Reimbursement Agreement. The summary does not purport to be complete, and reference is made to the Reimbursement Agreement for a full and complete statement of the provisions thereof. In addition, Fannie Mae shall have the right without the consent of, or notice to, the Trustee, the Corporation or the Bondholders, to amend, modify, change, add to or delete any of the provisions of the Reimbursement Agreement. Capitalized terms used herein and not otherwise defined will have the meanings given them in the Reimbursement Agreement.

The Credit Enhancement Instrument is issued pursuant to the Reimbursement Agreement. The Reimbursement Agreement obligates the Mortgagor, among other things, to reimburse Fannie Mae for funds advanced by Fannie Mae under the Credit Enhancement Instrument and to pay various fees and expenses. The Reimbursement Agreement sets forth various affirmative and negative covenants of the Mortgagor, some of which are more restrictive with respect to the Mortgagor than similar covenants contained in the Loan Agreement.

Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under the Reimbursement Agreement:

(a) the Borrower fails to pay when due any amount payable by the Borrower under the Reimbursement Agreement, the Note, the Financing Agreement, the Mortgage, or any other Borrower Document; or

(b) the occurrence of any Event of Default under any Transaction Document (other than the Reimbursement Agreement), or any other document relating to Indebtedness of the Borrower secured by the Mortgaged Property, or under any Subordinate Loan Document, beyond any notice and cure period set forth in that Transaction Document, or document relating to Indebtedness secured by the Mortgage Property, or Subordinate Loan Document, as the case may be; or

(c) fraud or material misrepresentation or material omission by Borrower, or any of its officers, directors, trustees, managing member or managers, Key Principal or any guarantor:

(1) contained in the Reimbursement Agreement, the Certificate of Borrower or any other Borrower Document or any certificate delivered by the Borrower to Fannie Mae or to the Servicer pursuant to the Reimbursement Agreement or any other Borrower Document; or

(2) in connection with (i) the application for or creation of the Mortgage Loan or the Credit Enhancement Commitment provided by the Credit Enhancement Instrument, (ii) any financial statement, rent roll, or other report or information provided to Fannie Mae or the Servicer during the term

of the Reimbursement Agreement or the Mortgage Loan, or (iii) any request for Fannie Mae's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement; or

(d) the occurrence of any event which results in the interest payable on the Tax-Exempt Bonds being includable for federal income tax purposes, in the gross income of the Bond Owners (as defined in the Resolution), including, but not limited to, any violation of any provision of the Regulatory Agreement or any of the other Bond Documents; or

(e) any failure by the Borrower to perform or observe any of its obligations under the Reimbursement Agreement (other than as set forth in subsections (a) through (d) above), as and when required, which continues for a period of 30 days after written notice of such failure by Fannie Mae or the Servicer to the Borrower, but no such notice or grace period shall apply in the case of any such failure which could, in Fannie Mae's or the Servicer's judgment, absent immediate exercise by Fannie Mae of a right or remedy under the Reimbursement Agreement, result in harm to Fannie Mae, impairment of the Note, the Reimbursement Agreement, the Mortgage or any other security given under any other Transaction Document;

(f) a Bankruptcy Event occurs;

(g) any judgment against the Borrower, any Managing Member or any Key Principal for which such Managing Member or Key Principal received notice of such judgment, or any attachment or other levy against the property of the Borrower or any Managing Member or Key Principal with respect to a claim remains unpaid, unstayed on appeal, undischarged, unbonded, not fully insured or undismissed for a period of thirty (30) days for any such judgment, attachment or other levy against the Borrower or any Managing Member; or sixty (60) days for any such judgment, attachment or other levy against any Key Principal; or

(h) the failure of the Borrower to perform or observe any covenant, condition or agreement set forth in the Reimbursement Agreement;

(i) any default, event of default, or breach (however such terms may be defined in the Regulatory Agreement) after the expiration of any deadline for performance and applicable notice or cure periods, if any, under the Regulatory Agreement; or

(j) any default, event of default, or breach (however such terms may be defined) under the HAP Contract or the Assignment of HAP Contract.

Remedies

Upon the occurrence of an Event of Default under the Reimbursement Agreement, the Obligations and all amounts owing under the Reimbursement Agreement may be declared by Fannie Mae to become immediately due and payable, without presentment, demand, protest or notice of any kind, including notice of default, notice of intent to accelerate or notice of acceleration. In addition, Fannie Mae shall have the right to take such action at law or in equity, without notice or demand, as it deems advisable to protect and enforce the rights of Fannie Mae against the Borrower and/or in and to the Mortgaged Property, including, but not limited to, any one or more or all of the following actions:

(a) deliver to the Trustee written notice that an Event of Default has occurred under the Reimbursement Agreement and direct the Trustee to take such action pursuant to the Borrower Documents as Fannie Mae may determine, including a request that the Trustee declare the principal of all or a portion of the Bonds then outstanding and the interest accrued thereon to be immediately due and payable in accordance with the terms and conditions of the Resolution;

(b) demand cash collateral or Investment Securities in an amount equal to the maximum liability of Fannie Mae under the Credit Enhancement Instrument, whether or not then due and payable by Fannie Mae; and

(c) exercise any rights and remedies available to Fannie Mae under the Transaction Documents, including without limitation, directing the Trustee to purchase all or a portion of the Bonds in connection with an Event of Termination pursuant to Section 10.2(A)(8) and Section 103 of Appendix A of the Resolution which purchase shall not diminish Borrower's obligation to reimburse Fannie Mae hereunder nor shall any such purchase be deemed payment on the Mortgage Loan.

Fannie Mae shall have the right, in its discretion, to waive any Event of Default under the Reimbursement Agreement. Unless such waiver expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

Fannie Mae shall have the right, in its sole discretion, to amend, modify, change, add to or delete any provisions of the Reimbursement Agreement, including, but not limited to, adding cross-defaults to any other documents and agreements, without receiving the consent of, or providing notice to, the Trustee, the Corporation or the Bondholders. Fannie Mae shall also have the right, in its sole discretion, to waive any Event of Default under any Transaction Document. Unless such waiver expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

AGREEMENT OF THE STATE

Section 657 of the Act provides that the State agrees with the holders of obligations of the Corporation, including owners of the 2014 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 2014 Series A Bonds, or in any way impair the rights and remedies of such owners until the 2014 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 2014 Series A Bonds, are fully met and discharged.

CONTINUING DISCLOSURE

The Mortgagor has undertaken all responsibilities for any continuing disclosure to owners of the 2014 Series A Bonds as described below, and the Corporation shall have no liability to the owners or any other person with respect to such disclosures. The Mortgagor has covenanted for the benefit of owners and Beneficial Owners of the 2014 Series A Bonds to provide its audited financial statements and certain financial information and operating data relating to the Mortgagor by not later than one hundred eighty (180) days after the end of each fiscal year (which fiscal year currently ends on December 31), commencing with the report for the fiscal year ending December 31, 2014 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report is required to be filed by the Mortgagor with the Municipal Securities Rulemaking Board (the "Repository"). All notices of material events are required to be filed by the Mortgagor with the Repository. The specific nature of the information to be contained in the Annual Report and the notices of material events is described in Appendix E — "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Mortgagor has not previously been subject to the continuing disclosure requirements of Rule 15c2-12.

TAX MATTERS

Opinion of Bond Counsel to the Corporation

2014 Series A-1 Bonds. In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions, (i) interest on the 2014 Series A-1 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to the exclusion of interest on any 2014 Series A-1 Bond for any period during which such 2014 Series A-1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the

2014 Series A-1 Bonds or a “related person,” and (ii) interest on the 2014 Series A-1 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering such opinion, Bond Counsel to the Corporation has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagor and others, in connection with the 2014 Series A-1 Bonds, and Bond Counsel to the Corporation has assumed compliance by the Corporation and the Mortgagor with certain ongoing covenants to comply with the applicable requirements of the Code to assure the exclusion of interest on the 2014 Series A-1 Bonds from gross income under Section 103 of the Code.

2014 Series A-2 Bonds. In the opinion of Bond Counsel to the Corporation, interest on the 2014 Series A-2 Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2014 Series A-1 Bonds and the 2014 Series A-2 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 2014 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 exclusion from gross income for Federal income tax purposes of interest on the 2014 Series A-1 Bonds, or the exemption of interest on the 2014 Series A Bonds from personal income taxes under state and local tax law.

2014 Series A-1 Bonds

Summary of Certain Federal Tax Requirements.

Under applicable provisions of the Code, the exclusion from gross income of interest on the 2014 Series A-1 Bonds for purposes of Federal income taxation requires that (i) at least twenty-five percent (25%) of the units in the Project financed by the 2014 Series A-1 Bonds be occupied during the “Qualified Project Period” (defined below) by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended, do not exceed 60% of the median income for the area, as adjusted for family size, and (ii) all of the units of the Project be rented or available for rental on a continuous basis during the Qualified Project Period. “Qualified Project Period” for the Project means a period commencing upon the later of (a) occupancy of 10% of the units in the Project or (b) the date of issue of the 2014 Series A-1 Bonds and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in the Project, (ii) the first date on which no tax-exempt private activity bonds issued with respect to the Project are outstanding, or (iii) the date on which any assistance provided with respect to such Project under Section 8 of the 1937 Housing Act terminates. The Project will meet the continuing low income requirement as long as the income of the individuals occupying the unit does not increase to more than 140% of the applicable limit. Upon an increase over 140% of the applicable limit, the next available unit of comparable or smaller size in the Project must be rented to an individual having an income of 60% or less of the area median income.

In the event of noncompliance with the above requirements arising from events occurring after the issuance of the 2014 Series A-1 Bonds, the Treasury Regulations provide that the exclusion of interest on the 2014 Series A-1 Bonds from gross income for Federal income tax purposes will not be impaired if the Corporation takes appropriate corrective action within a reasonable period of time after such noncompliance is first discovered or should have been discovered by the Corporation.

Compliance and Additional Requirements.

The Code establishes certain additional requirements which must be met subsequent to the issuance and delivery of the 2014 Series A-1 Bonds in order that interest on the 2014 Series A-1 Bonds be and remain excluded

from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of the proceeds of the 2014 Series A-1 Bonds, yield and other limits regarding investment of the proceeds of the 2014 Series A-1 Bonds and other funds, and rebate of certain investment earnings on such amounts on a periodic basis to the United States.

The Corporation has covenanted in the Resolution that it shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the 2014 Series A-1 Bonds shall be excluded from gross income for Federal income tax purposes. In furtherance thereof, the Corporation is to enter into the Regulatory Agreement with the Mortgagor to assure compliance with the Code. However, no assurance can be given that in the event of a breach of any such covenants, or noncompliance with the procedures or certifications set forth therein, the remedies available to the Corporation and/or 2014 Series A-1 Bond owners can be judicially enforced in such manner as to assure compliance with the above-described requirements and therefore to prevent the loss of the exclusion of interest from gross income for Federal income tax purposes. Any loss of such exclusion of interest from gross income may be retroactive to the date from which interest on the 2014 Series A-1 Bonds is payable.

Certain Collateral Federal Tax Consequences.

The following is a brief discussion of certain collateral Federal income tax matters with respect to the 2014 Series A-1 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a 2014 Series A-1 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the 2014 Series A-1 Bonds.

Prospective owners of 2014 Series A-1 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the 2014 Series A-1 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding.

Information reporting requirements will apply to interest paid on tax-exempt obligations, including the 2014 Series A-1 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9 “Request for Taxpayer Identification Number and Certification”, or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding”, which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2014 Series A-1 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2014 Series A-1 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2014 Series A-1 Bonds under Federal or

state law or otherwise prevent beneficial owners of the 2014 Series A-1 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2014 Series A-1 Bonds. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on “all itemized deductions, as well as other tax benefits” including “tax-exempt interest.” The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their “modified adjusted gross income,” defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

Prospective purchasers of the 2014 Series A-1 Bonds should consult their own tax advisors regarding the foregoing matters.

2014 Series A-2 Bonds

The following discussion is a summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the 2014 Series A-2 Bonds (the “Taxable Bonds”) by original purchasers of the Taxable Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Taxable Bonds will be held as “capital assets” under the Code, and it 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, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle” for United States Federal income tax purposes, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Taxable Bonds should consult with its own tax advisor concerning the United States Federal income tax and other tax consequences to it of 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.

As used herein, the term “U.S. Holder” means a beneficial owner of a Taxable Bond that is for United States Federal income tax purposes (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.

U.S. Holders—Disposition of Taxable Bonds.

Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. 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 U.S. Holder’s adjusted tax basis in the Taxable Bond. A U.S. Holder’s adjusted tax basis in a Taxable Bond generally will equal such U.S. Holder’s initial investment in the Taxable Bond, increased by any OID included in the U.S. Holder’s income with respect to the Taxable Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Taxable Bond. Such gain or loss generally will be long-term capital gain or loss if the Taxable Bond was held for more than one year.

U.S. Holders—Defeasance.

U.S. Holders of the Taxable Bonds should be aware that, for Federal income tax purposes, 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 “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”), 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, for Federal income tax purposes, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for Federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting.

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding at a rate provided in the Code will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States Federal income tax returns.

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.

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.

NO LITIGATION

The Corporation

At the time of delivery and payment for the 2014 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 now pending or threatened against the Corporation of which the Corporation has notice or, to the knowledge of the Corporation, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2014 Series A Bonds, or in any way contesting or affecting the validity of the 2014 Series A Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof or the financing of the Mortgage Loan or the pledge or application of any moneys or security provided for the payment of the 2014 Series A Bonds or the existence or powers of the Corporation, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or challenging the exclusion of interest on the 2014 Series A Bonds from gross income for Federal income tax purposes.

The Mortgagor

At the time of delivery and payment for the 2014 Series A Bonds, the Mortgagor will deliver, or cause to be delivered, a certificate of the Mortgagor substantially to the effect that, there is no litigation of any nature now pending or, to the knowledge of the Mortgagor or its managing member, threatened against or adversely affecting

the existence of the Mortgagor, its partners or any Guarantor, involving the Project or seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2014 Series A Bonds or the financing of the Mortgage Loan or the acquisition, renovation and equipping of the Project, or in any way contesting or affecting the validity or enforceability of the 2014 Series A Bonds or the 2014 Series A Bond documents to which the Mortgagor is a party or any proceedings of the Mortgagor taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the 2014 Series A Bonds, or contesting in any way the completeness or accuracy of the Official Statement or contesting the existence or powers or authority of the Mortgagor with respect to the 2014 Series A Bond documents to which it is a party or, to the knowledge of the Mortgagor or its managing member, without independent inquiry, challenging the exclusion of interest on the 2014 Series A Bonds from gross income for Federal income tax purposes.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the 2014 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 Fannie Mae by its Office of General Counsel and by its Special Counsel, Arent Fox LLP. Certain legal matters will be passed upon for the Mortgagor by its special counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Winston & Strawn LLP, New York, New York.

LEGALITY OF 2014 SERIES A BONDS FOR INVESTMENT AND DEPOSIT

Under the provisions of Section 662 of the Act, the 2014 Series A Bonds are made 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 2014 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 may hereafter be authorized.

UNDERWRITING

Morgan Stanley & Co. LLC has agreed, subject to certain conditions, to purchase the 2014 Series A Bonds from the Corporation at an aggregate purchase price of \$235,000,000 and to make a public offering of the 2014 Series A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all such 2014 Series A Bonds if any are purchased. The 2014 Series A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

This paragraph has been supplied by Morgan Stanley & Co. LLC. Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the 2014 Series A Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2014 Series A Bonds.

This paragraph has been supplied by Wells Fargo Bank, National Association. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association. Wells Fargo Bank, National Association (“WFBNA”), one of the underwriters of the 2014 Series A Bonds, has entered into an agreement (the

"Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the 2014 Series A Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation, as applicable, with respect to the 2014 Series A Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the 2014 Series A Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

This paragraph has been supplied by Siebert Brandford Shank & Co., L.L.C. Siebert Brandford Shank & Co., L.L.C., one of the Underwriters of the 2014 Series A Bonds, has entered into a separate agreement with Credit Suisse Securities USA LLC for retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to said agreement, if applicable to the 2014 Series A Bonds, Siebert Brandford Shank & Co., L.L.C. will share a portion of its underwriting compensation with respect to the 2014 Series A Bonds, with Credit Suisse Securities USA LLC.

This paragraph has been supplied by J.P. Morgan Securities LLC ("JPMS"). JPMS, one of the Underwriters of the 2014 Series A Bonds, has entered into a negotiated dealer agreement (the "Dealer Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the 2014 Series A Bonds, at the original issue prices. Pursuant to the Dealer Agreement, CS&Co. will purchase 2014 Series A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2014 Series A Bonds that CS&Co. sells.

This paragraph has been supplied by Citigroup Global Markets Inc. Citigroup Global Markets Inc., an underwriter of the 2014 Series A Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for their selling efforts with respect to the 2014 Series A Bonds.

This paragraph has been supplied by Loop Capital Markets LLC ("Loop Capital"). Loop Capital has entered into distribution agreements (each a "Distribution Agreement") with each of UBS Financial Services Inc. (UBSFS"), Deutsche Bank Securities Inc. ("DBS") and Credit Suisse Securities (USA) LLC ("CS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS will purchase the 2014 Series A Bonds from Loop Capital at the original issue prices less a negotiated portion of the selling concession applicable to any 2014 Series A Bonds that such firm sells.

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, SEC rule 15c2-12.

RATINGS

Moody's Investors Service has assigned to the 2014 Series A Bonds a rating of "Aaa" Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the 2014 Series A Bonds.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the 2014 Series A Bonds that there has been no change in the affairs

of the Corporation from the date hereof. Pursuant to the Resolution, the Corporation has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Resolution and to cause such books to be audited for each fiscal year. The Resolution requires that such books be open to inspection by the Trustee and the owners of not less than 5% of the 2014 Series A Bonds during regular business hours of the Corporation and that the Corporation furnish a copy of the auditor's report, when available, upon the request of the owner of any Outstanding 2014 Series A Bond.

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

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2014 Series A Bonds.

This Official Statement is submitted in connection with the sale of the 2014 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 have been duly authorized and approved by the Corporation and the Official Statement has been duly executed and delivered on behalf of the Corporation.

NEW YORK CITY HOUSING DEVELOPMENT
CORPORATION

By: /s/ Gary D. Rodney
 President

Dated: December 17, 2014

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DEFINITIONS OF CERTAIN TERMS

This Appendix A does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Resolution, Credit Enhancement Instrument, Reimbursement Agreement, Assignment and Mortgage Note, copies of which may be obtained from the Corporation. The following terms shall have the following meanings in the Resolution, Credit Enhancement Instrument, Reimbursement Agreement, Assignment and Mortgage Note for the 2014 Series A Bonds unless the context shall clearly indicate otherwise.

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

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

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

“Additional Bonds” means Bonds, other than the 2014 Series A Bonds, authorized pursuant to the Resolution.

“Administrative Fee” means the administrative fee of the Corporation in the amount set forth in the Commitment, plus the amount specified in a Supplemental Resolution in connection with the issuance of Additional Bonds.

“Assignment” means the Assignment and Agreement, with respect to, among other things, the Mortgage Loan, by and among the Corporation, the Trustee and the Credit Facility Provider, and acknowledged, accepted and agreed to by the Mortgagor, as the same may be amended or supplemented from time to time.

“Authorized Officer” means (a) when used with respect to the Corporation, the Chairperson, Vice Chairperson, President, any Executive Vice President or any Senior Vice President of the Corporation and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Corporation then authorized to perform such act or discharge such duty; (b) when used with respect to the Mortgagor, any officer of the Mortgagor then authorized to act for the Mortgagor and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Mortgagor then authorized to perform such act or discharge such duty; (c) when used with respect to the Trustee, any Vice President or Assistant Vice President of the Trustee then authorized to act for the Trustee, and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Trustee then authorized to perform such act or discharge such duty; and (d) when used with respect to any Credit Facility Provider, any officer or employee of the Credit Facility Provider designated, by name or official title, in writing to the Corporation and the Trustee.

“Available Moneys” means, during the term of any Credit Facility, (i) moneys provided under such Credit Facility, or (ii) moneys deposited into the Accounts established under the Resolution or moneys deposited directly by the Mortgagor with the Trustee, which moneys, in either case, have been on deposit with the Trustee for at least 365 days during and prior to which no Act of Bankruptcy with respect to the Mortgagor, any member of the Mortgagor or the Corporation shall have occurred; provided, however, that if the Trustee shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee to the effect that payments made to Bond owners with moneys on deposit with the Trustee for a number of days less than that set forth above during which no Act of Bankruptcy with respect to the Mortgagor, any member of the Mortgagor or the Corporation shall have occurred would not constitute an avoidable preference under Section 547 of

the Bankruptcy Reform Act of 1978, as amended, or would not be subject to an automatic stay under Section 362 of the Bankruptcy Reform Act of 1978, as amended, or would not be considered part of the estate of the depositor under Section 541 of the Bankruptcy Reform Act of 1978, as amended, then the number of days specified in such opinion shall be substituted for the 365 days in this definition, or (iii) the proceeds from investment of moneys qualifying as Available Moneys under clause (i) or (ii) above, or (iv) the proceeds of Additional Bonds; provided, however, that with respect to the proceeds of Additional Bonds, the Trustee shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee to the effect that payments made to Bond owners with such proceeds would not constitute an avoidable preference under Section 547 of the Bankruptcy Reform Act of 1978, as amended, or would not be subject to an automatic stay under Section 362 of the Bankruptcy Reform Act of 1978, as amended, or would not be considered part of the estate of the depositor under Section 541 of the Bankruptcy Reform Act of 1978, as amended. Notwithstanding the foregoing, (a) when used with respect to amounts due in respect of Purchased Bonds, the term “Available Moneys” shall mean any amounts held by the Trustee and the proceeds of the investment thereof, except for moneys provided under a Credit Facility and (b) during any period in which no Credit Facility is in effect, “Available Moneys” shall mean any moneys.

“Beneficial Owner” means, whenever used with respect to a 2014 Series 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” means one of the bonds to be authenticated and delivered pursuant to the Resolution.

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

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

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

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

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

“Borrower Document” shall have the meaning set forth in the Reimbursement Agreement.

“Business Day” means any day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in the City of New York, New York, or the city in which the Principal Office of the Trustee is located are required or authorized by law to close, (c) a day on which the New York Stock Exchange is closed, (d) a day on which the Credit Facility Provider is closed or (e) a day on which DTC is closed.

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

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

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

“Commitment” means the Financing Commitment and Agreement dated December 1, 2014, between the Corporation, the Mortgagor and the Guarantors, as the same may be amended or supplemented 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.

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

“Credit Agreement” means, with respect to the Credit Facility, the Reimbursement Agreement.

“Credit Enhancement Instrument” means the Direct Pay Irrevocable Transferable Credit Enhancement Instrument, dated the date of initial issuance of the 2014 Series A Bonds, issued by Fannie Mae for the benefit of the 2014 Series A Bonds.

“Credit Facility” means the Credit Enhancement Instrument representing the obligation of the Credit Facility Provider to provide for the timely payment of the principal of and interest on and Purchase Price, if applicable, of the 2014 Series A Bonds as the same may be amended, modified or supplemented from time to time, and shall also include any substitute therefor provided by the Credit Facility Provider meeting the requirements of Section 4.7 of the Loan Agreement, as such substitute may be amended, modified or supplemented from time to time.

“Credit Facility Payments” means amounts obtained under the Credit Facility with respect to the Bonds.

“Credit Facility Payments Sub-Account” means the Credit Facility Payments Sub-Account established pursuant to the Resolution.

“Credit Facility Provider” means, so long as the Credit Facility is in effect, Fannie Mae.

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

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

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

“Fannie Mae” means a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq., as amended from time to time, and its successors and assigns.

“Fee Component” means that portion of the Administrative Fee representing the regularly scheduled monthly servicing fee of .20% per annum of the outstanding principal amount of the 2014 Series A Bonds, payable to the Corporation pursuant to the terms of the Loan Agreement.

“FHA” means the Federal Housing Administration of HUD, and its successors and assigns.

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

“Guarantor” means, individually and collectively, Donald Cappocia, Joseph Ferrara, Brandon Baron, Francine Kellman, Brian Raddock and L&M Development Partners Inc.

“Highest Rating Category” has the meaning, with respect to an Investment Security, given in this definition. If the 2014 Series A Bonds are rated by a Rating Agency, the term “Highest Rating Category” means, with respect to an Investment Security, that the Investment Security is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the 2014 Series A Bonds are not rated (and, consequently, there is no Rating Agency), then the term “Highest Rating Category” means, with respect to an Investment Security, that the Investment Security is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is “A-1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG-1” (for fixed rate) or “VMIG-1” (for variable rate) for three months or less and “Aaa” for greater than three months. If at any time (i) the 2014 Series A Bonds are not rated, (ii) both S&P and Moody’s rate an Investment Security and (iii) one of those ratings is below the Highest Rating Category, then such Investment Security will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment Security rated “AAA” by S&P and “Aa3” by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment Security will be deemed to be rated below the Highest Rating Category. For example, an Investment Security rated “AAA” by S&P and “A1” by Moody’s is not rated in the Highest Rating Category.

“HUD” means the United States Department of Housing and Urban Development, its successors and assigns.

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

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

- (A) So long as the Credit Facility is in effect,
 - (a) Government Obligations;
 - (b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category;
 - (c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision;
 - (d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category;
 - (e) Commercial paper rated in the Highest Rating Category;
 - (f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers’ acceptances, issued by a Qualified Financial Institution if either (i) the Qualified Financial Institution’s unsecured short-term obligations are rated in the Highest Rating Category or (ii) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation;

(g) An agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Facility Provider or (ii) a Qualified Financial Institution whose unsecured long-term obligations or obligations for which a current insurer financial enhancement rating is available or obligations for which a current insurance financial strength rating is available, are rated in the Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category; provided that such agreement is in a form acceptable to the Credit Facility Provider; and provided further that such agreement includes the following restrictions:

(1) the invested funds will be available for withdrawal without penalty or premium, at any time that (i) the Trustee is required to pay moneys from the Accounts established under the Resolution to which the agreement is applicable, or (ii) any Rating Agency indicates that it will lower or actually lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(2) the agreement, and if applicable the guarantee or insurance, is an unconditional and general obligation of the provider and, if applicable, the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(3) the Trustee receives an opinion of counsel, who may be counsel to the provider of such agreement, which opinion may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an opinion of counsel, who may be counsel to a guarantor or insurer, as applicable, that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms; and

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the provider must, within 10 days, either: (i) collateralize the agreement (if the agreement is not already collateralized) with Investment Securities described in paragraph (A)(a) or (b) above by depositing collateral with the Trustee or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Facility Provider, or, if the agreement is already collateralized, increase the collateral with Investment Securities described in paragraph (A)(a) or (b) above by depositing collateral with the Trustee or a third party custodian, in an amount reasonably satisfactory to the Credit Facility Provider, (ii) at the request of the Trustee or the Credit Facility Provider, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium unless required by law or (iii) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long-term obligations are then rated in the Highest Rating Category. The agreement may provide that the downgraded provider may elect which of the remedies to the down-grade (other than the remedy set out in (ii) above) to perform.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAAM by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Facility Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (A)(b) or (c) above. If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAAM by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAAM by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating

Category if the lower rating is no more than one rating category below the highest rating category of that rating agency; and

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Credit Facility Provider and each Rating Agency.

So long as the Credit Facility is in effect, Investment Securities shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to the Resolution, and Investment Securities listed in paragraphs (A)(g) and (i) above;

(2) Except for any obligation described in paragraph (A)(a) or (b) above, any obligation with a purchase price greater or less than the par value of such obligation;

(3) Any asset-backed security, including mortgage-backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities;

(4) Any interest-only or principal-only stripped security;

(5) Any obligation bearing interest at an inverse floating rate;

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity;

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index;

(8) Any investment described in paragraph (A)(d) or (g) above with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment; or

(9) Any investment to which S&P has added an “r” or “t” highlighter.

(B) So long as the Credit Facility is not in effect,

(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 Fannie Mae;

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

(h) Obligations of the City or the State 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 the 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 ninety-eight 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.

“Loan Agreement” means the Financing Agreement, dated as of December 1, 2014, by and between the Corporation and the Mortgagor, with respect to the Mortgage Loan, as the same may be amended or supplemented from time to time.

“Mandatory Purchase Provision” means the purchase provision of the 2014 Series A Bonds for the purchase of any 2014 Series A Bonds upon the occurrence of an Event of Termination pursuant to the Resolution.

“Mandatory Tender Date” means a date specified by the Credit Facility Provider pursuant to the provisions of the Resolution for carrying out a purchase of 2014 Series A Bonds pursuant to the Resolution.

“Moody's” means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Mortgage” means, collectively, the Multifamily Acquisition Loan Mortgage, Assignment of Rents and Security Agreement and the Multifamily Building Loan Mortgage, Assignment of Rents and Security Agreement (together with all riders) securing the Mortgage Note, each dated as of the date of initial issuance of the 2014 Series A Bonds, executed by the Mortgagor with respect to the Project, as the same may be amended, modified or supplemented from time to time.

“Mortgage Documents” means, collectively, (a) the Mortgage, (b) the Mortgage Note and (c) all other documents evidencing, securing or otherwise relating to the Mortgage Loan, other than the Loan Agreement.

“Mortgage Loan” means the interest-bearing loan, evidenced by the Mortgage Note and secured by the Mortgage, made by the Corporation to the Mortgagor.

“Mortgage Note” means, collectively, the Multifamily Acquisition Loan Note (together with all addenda to the Multifamily Acquisition Loan Note) and the Multifamily Building Loan Note (together with all addenda to the

Multifamily Building Loan Note), evidencing the Mortgage Loan, each dated the date of initial issuance of the 2014 Series A Bonds, executed by the Mortgagor in favor of the Corporation with respect to the Project, as the same may be amended, modified or supplemented from time to time.

“Mortgage Note Payments Interest” means, with respect to the Mortgage Loan, the right of the Trustee to receive and retain all payments due and owing under the Mortgage Note, but not (a) the Facility Fee, (b) late charges, (c) default interest, (d) escrow payments for reserves, taxes, insurance and other impositions, and (e) payments pursuant to the Reimbursement Agreement and any other agreement or document securing Fannie Mae or otherwise relating to provision of the Credit Enhancement Instrument.

“Mortgage Rights” means, with respect to the Mortgage Loan, without limitation, all of the rights under the Mortgage Note, the Mortgage and the other Mortgage Documents to direct actions, grant consents, grant extensions, grant waivers, grant requests, give approvals, give directions, give releases, make appointments, take actions and do all other things under the Mortgage Note, the Mortgage and the other Mortgage Documents, including, without limitation, the right, power and authority to assign or delegate the right, power and authority to enter into ancillary agreements, documents and instruments otherwise relating to the Mortgage Loan, including agreements with respect to the servicing of the Mortgage Loan, and to vest in its assignee such rights, powers and authority as may be necessary to implement any of the foregoing. “Mortgage Rights” does not include the Mortgage Note Payments Interest.

“Mortgagor” means Triborough Preservation LLC, a limited liability company organized and existing under and by virtue of the laws of the State of New York, which is the mortgagor with respect to the Mortgage Loan, and its successors and permitted transferees as owner of the Project.

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

- (1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;
- (2) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in a redemption account thereunder, either:
 - (a) Available Moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or
 - (b) obligations, as described in “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Defeasance”, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or
 - (c) any combination of (a) and (b) above;
- (3) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Resolution; and
- (4) any Bond deemed to have been paid as provided in the Resolution.

“Participants” means those broker-dealers, banks and other financial institutions for which DTC holds 2014 Series A Bonds as securities depository.

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

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

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

“Principal Office”, when used with respect to the Trustee shall mean U.S. Bank National Association, 100 Wall Street, Suite 1600, New York, New York 10005 Attention: Corporate Trust Services, when used with respect to the Tender Agent shall mean the same address as that of the Trustee or the address of any successor Tender Agent appointed in accordance with the terms of the Resolution or such other offices designated to the Corporation in writing by the Trustee or Tender Agent, as the case may be.

“Project” means, collectively, the multi-family rental housing developments located at (i) 510-522 East 156th Street in the Borough of the Bronx and County of Bronx, (ii) 631, 635 and 637 East 13th Street and 205, 207 and 211 Avenue C in the Borough of Manhattan and County of New York, (iii) 4/26 East 117th Street a/k/a 1772/1782 Madison Avenue in the Borough of Manhattan and County of New York, (iv) 438 and 444 East 120th Street in the Borough of Manhattan and County of New York, (v) 277 and 279 East 4th Street in the Borough of Manhattan and County of New York and (vi) 930, 940 and 950 Halsey Street and 51 and 55 Saratoga Avenue in the Borough of Brooklyn and County of Kings, in all cases located in the City and State of New York.

“Purchase Price” means, with respect to any 2014 Series A Bond, an amount equal to one hundred percent (100%) of the principal amount of any 2014 Series A Bond plus accrued and unpaid interest thereon to the date of purchase.

“Purchased Bond” means any 2014 Series A Bond during the period from and including the date of its purchase by the Trustee, as a result of its tender for purchase by the owner thereof, on behalf of and as agent for the Mortgagor with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such 2014 Series A Bond is remarketed to any person other than the Credit Facility Provider, the Mortgagor, any member of the Mortgagor or the Corporation.

“Qualified Financial Institution” means any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, savings and loan association, or insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) Federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Credit Facility Provider the liquidation of which is subject to

the Securities Investors Protection Corporation or other similar corporation or (vii) any other entity which is acceptable to the Credit Facility Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (A)(g) of the definition of the term “Investment Securities” or an entity which guarantees or insures, as applicable, the agreement, a “Qualified Financial Institution” may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

“Rating Agency” means each national rating agency which had originally rated the Bonds at the request of the Corporation and is then maintaining a rating on the Bonds.

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

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

“Record Date” means the first (1st) day of the calendar month in which any Interest Payment Date occurs.

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

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

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

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

“Regulatory Agreement” means the Regulatory Agreement, dated as of the date of initial issuance of the 2014 Series A Bonds, by and between the Corporation and the Mortgagor, as the same may be amended or supplemented from time to time.

“Reimbursement Agreement” means, with respect to the Credit Facility, the Reimbursement Agreement, dated as of December 1, 2014, between the Credit Facility Provider and the Mortgagor, as the same may be amended or supplemented from time to time.

“Resolution” means the Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development) Bond Resolution adopted by the Corporation on December 3, 2014 and any amendments or supplements made in accordance with its terms.

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

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

“Series” means the 2014 Series A-1 Bonds, the 2014 Series A-2 Bonds or any series of Additional Bonds.

“Servicer” means any person appointed to service the Mortgage Loan in accordance with the Resolution.

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

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

“State” means the State of New York.

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

“Tender Agent” means (i) the tender agent appointed by the Corporation with the consent of the Mortgagor and the Credit Facility Provider pursuant to the Resolution, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party, or any successor appointed in accordance with the terms of the Resolution, and (ii) the Trustee if no tender agent is appointed under the Resolution.

“Transaction Document” shall have the meaning set forth in the Reimbursement Agreement.

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

“2014 Series A Bonds” means, collectively, the 2014 Series A-1 Bonds and the 2014 Series A-2 Bonds.

“2014 Series A-1 Bonds” means the Bonds of such name authorized to be issued pursuant to the Resolution.

“2014 Series A-2 Bonds” means the Bonds of such name authorized to be issued pursuant to the Resolution.

“Wrongful Dishonor” means (i) an uncured and willful default by the Credit Facility Provider, or (ii) an uncured default resulting from the gross negligence of the Credit Facility Provider, in each case, of its obligations to honor a request for payment made in accordance with the terms of the Credit Facility.

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ACTIVITIES OF THE CORPORATION

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

I. BOND PROGRAMS. The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the programs described below. The multi-family residential developments financed under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution, adopted by its Members on July 27, 1993, as amended from time to time (the "MFHRB General Resolution") are described below in "Section C – Housing Revenue Bond Program." As of October 31, 2014, the Corporation had bonds outstanding in the aggregate principal amount of approximately \$9,200,755,625.06. All of the bonds are separately secured, except for the bonds issued under the MFHRB General Resolution which are equally and ratably secured by the assets pledged under the MFHRB General Resolution. None of the assets pledged under the bond programs described below provide security for the 2014 Series A Bonds, and none of the bonds under these programs is secured by the Resolution.

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

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

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

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

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

(5) Rental Projects; Not Rated: The Corporation has issued bonds and obligations to provide financing for rental projects, which bonds and obligations are not rated by a rating agency and were not publicly offered.

(6) Commercial Mortgage Backed Security Program: Under this program, the Corporation has issued bonds structured as commercial mortgage backed securities to refinance a multi-family rental housing development.

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

C. Housing Revenue Bond Program. Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under the General Resolution

which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, SONYMA-insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments.

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

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

F. **Secured Mortgage Revenue Bond Program.** Under this program, the Corporation may issue bonds to finance loans evidenced by a note and secured by a mortgage for privately owned multi-family housing. Such mortgage loans or the related bonds are required to be subject to supplemental security as defined in the applicable bond resolution. As of October 31, 2014, five (5) series of bonds have been issued under the Secured Mortgage Revenue Bond Program.

G. **Pass-Through Revenue Bond Program.** Under this program, the Corporation has issued bonds to finance loans evidenced by a note and secured by a mortgage for privately owned multi-family housing. All repayments and prepayments derived from the associated mortgage loans, including a payment of insurance, if any, are passed through to the bondholders to redeem the bonds on a monthly basis.

The following table summarizes bonds outstanding under these bond programs as of October 31, 2014:

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
<u>MULTI-FAMILY PROGRAM</u>				
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
Related-Tribeca Tower	440	\$55,000,000	\$55,000,000	1997
One Columbus Place Development	729	\$150,000,000	\$142,300,000	1998
100 Jane Street Development	148	\$17,875,000	\$15,950,000.00	1998
Brittany Development	272	\$57,000,000	\$56,300,000.00	1999
Related-West 89 th Street Development	265	\$53,000,000	\$53,000,000	2000
Queenswood Apartments	296	\$10,800,000	\$10,800,000	2001
Related-Lyric Development	285	\$91,000,000	\$89,000,000	2001
James Tower Development	201	\$22,200,000	\$19,110,000	2002
The Foundry	222	\$60,400,000	\$55,100,000	2002
Related Sierra Development	212	\$56,000,000	\$56,000,000	2003

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
Related Westport Development	371	\$124,000,000	\$123,800,000	2004
Atlantic Court Apartments	321	\$104,500,000	\$96,800,000	2005
Progress of Peoples Developments	1,008	\$83,400,000	\$47,925,000	2005
Royal Charter Properties East, Inc. Project	615	\$98,775,000	\$89,200,000	2005
The Nicole	149	\$65,000,000	\$60,300,000	2005
Rivereast Apartments	196	\$56,800,000	\$53,300,000	2006
Seaview Towers	462	\$32,000,000	\$19,225,000	2006
155 West 21st Street Development	110	\$52,700,000	\$49,900,000	2007
Ocean Gate Development	542	\$48,500,000	\$20,005,000	2007
West 61st Street Apartments	211	\$68,000,000	\$61,415,000	2007
Linden Plaza	1527	\$73,900,000	\$65,250,000	2008
Gateways Apartments	365	\$22,190,000	\$21,140,000	2009
Lexington Courts (Met Paca)	229	\$25,500,000	\$21,900,000	2009
The Balton	156	\$29,750,000	\$29,750,000	2009
1133 Manhattan Avenue Development	210	\$46,000,000	\$46,000,000	2012
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>				
West 48 th Street Development	109	\$22,500,000	\$20,000,000	2001
First Avenue Development	231	\$44,000,000	\$44,000,000	2002
Renaissance Court	158	\$35,200,000	\$35,200,000	2004
Nagle Courtyard Apartments	100	\$9,000,000	\$4,200,000	2004
Ogden Avenue Apartments	130	\$10,500,000	\$4,760,000	2004
Peter Cintron Apartments	165	\$14,400,000	\$7,840,000	2004
Aldus Street Apartments	164	\$14,200,000	\$8,100,000	2004
Courtlandt Avenue Apartments	167	\$15,000,000	\$7,905,000	2004
Hoe Avenue Apartments	136	\$11,900,000	\$6,660,000	2004
Louis Nine Boulevard Apartments	95	\$9,500,000	\$7,300,000	2004
270 East Burnside Avenue Apartments	114	\$13,000,000	\$6,400,000	2005
Highbridge Apartments	296	\$32,500,000	\$13,600,000	2005
Morris Avenue Apartments	210	\$22,700,000	\$14,700,000	2005
Ogden Avenue Apartments II	59	\$5,300,000	\$2,500,000	2005
White Plains Courtyard Apartments	100	\$9,900,000	\$4,900,000	2005

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
89 Murray Street Development	232	\$49,800,000	\$49,800,000	2005
33 West Tremont Avenue Apartments	84	\$8,450,000	\$3,490,000	2005
1904 Vyse Avenue Apartments	96	\$9,650,000	\$4,335,000	2005
Reverend Ruben Diaz Gardens Apartments	111	\$13,300,000	\$6,400,000	2006
Villa Avenue Apartments	111	\$13,700,000	\$5,990,000	2006
Bathgate Avenue Apartments	89	\$12,500,000	\$4,435,000	2006
Spring Creek Apartments I and II	582	\$24,000,000	\$24,000,000	2006
Linden Boulevard Apartments	300	\$14,000,000	\$12,950,000	2006
Markham Gardens Apartments	240	\$25,000,000	\$16,000,000	2006
245 East 124 th Street	185	\$40,000,000	\$35,400,000	2008
Hewitt House Apartments	83	\$11,000,000	\$4,100,000	2008
Bruckner by the Bridge	419	\$68,500,000	\$36,800,000	2008
Elliot Chelsea Development	168	\$41,440,000	\$40,750,000	2010
West 26 th Street Development	204	\$78,700,000	\$78,700,000	2011-12
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>				
Related-Upper East	262	\$70,000,000	\$70,000,000	2003
Brookhaven Apartments	95	\$9,100,000	\$8,000,000	2004
East 165 th Street Development	136	\$13,800,000	\$7,665,000	2004
Manhattan Court Development	123	\$17,500,000	\$17,500,000	2004
Marseilles Apartments	135	\$13,625,000	\$11,425,000	2004
Parkview Apartments	110	\$12,605,000	\$5,935,000	2004
Thessalonica Court Apartments	191	\$19,500,000	\$17,100,000	2004
15 East Clarke Place Apartments	102	\$11,600,000	\$5,430,000	2005
1090 Franklin Avenue Apartments	60	\$6,200,000	\$2,320,000	2005
2007 La Fontaine Avenue Apartments	88	\$8,500,000	\$3,825,000	2005
Grace Towers Apartments	168	\$11,300,000	\$10,100,000	2005
La Casa del Sol	114	\$12,800,000	\$4,650,000	2005
Parkview II Apartments	88	\$10,900,000	\$4,255,000	2005
Urban Horizons II Development	128	\$19,600,000	\$5,465,000	2005
500 East 165 th Street Apartments	128	\$17,810,000	\$7,255,000	2006
1405 Fifth Avenue Apartments	80	\$14,190,000	\$14,190,000	2006
Beacon Mews Development	125	\$23,500,000	\$23,500,000	2006

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
Granite Terrace Apartments	77	\$9,300,000	\$4,060,000	2006
Granville Payne Apartments	103	\$12,250,000	\$5,560,000	2006
Intervale Gardens Apartments	66	\$8,100,000	\$3,115,000	2006
Target V Apartments	83	\$7,200,000	\$6,600,000	2006
550 East 170th Street Apartments	98	\$14,300,000	\$5,500,000	2007
Boricua Village Apartments	85	\$28,300,000	\$10,915,000	2007
Cook Street Apartments	152	\$26,600,000	\$4,480,000.00	2007
Susan's Court	125	\$24,000,000	\$24,000,000	2007
The Dorado Apartments	58	\$8,750,000	\$3,470,000	2007
The Plaza	383	\$30,000,000	\$11,300,000	2007
Las Casas Development	227	\$36,880,000	\$19,200,000	2008
Sons of Italy Apartments	106	\$7,670,000	\$7,570,000	2009
101 Avenue D Apartments	78	\$25,000,000	\$25,000,000	2010
461 Dean Street Development	363	\$45,000,000	\$45,000,000	2012
50th Avenue Development	619	\$136,960,000	\$136,960,000	2013
<i>Residential Revenue Bonds – Letter of Credit Enhanced</i>				
Montefiore Medical Center Project	116	\$8,400,000	\$6,400,000	1993
College of Staten Island	133	\$67,800,000	\$67,380,000	2012
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Not Rated</i>				
Queens Family Courthouse Apartments	277	\$120,000,000	\$40,000,000	2007
Borden Avenue Development ⁵	306	\$34,185,346	\$34,185,346	2013- 2014
250 Ashland Development ⁶	586	\$250,000	\$250,000	2013
City Point Tower One	251	\$62,000,000	\$62,000,000	2013- 2014
<i>Multi-Family Housing Revenue Debt Obligations Rental Projects; Not Rated</i>				
Harlem Dowling ⁷	60	\$1,198,494	\$1,198,494	2014
<i>Multi-Family Commercial Mortgage Backed Securities</i>				
8 Spruce Street ³	899	\$346,100,000	\$346,100,000	2014

	No. of Units	Bonds Issued	Bonds Outstanding	Year of Issue
<u>MILITARY HOUSING REVENUE BOND PROGRAM</u>				
Fort Hamilton Housing	228	\$47,545,000	\$45,610,000	2004
<u>HOUSING REVENUE BOND PROGRAM*</u>				
<i>Multi-Family Housing Revenue Bonds</i>	116,442	\$8,854,965,000	\$4,142,730,000	1993-2014
<i>Multi-Family Housing Revenue Bonds – Federal New Issue Bond Program†</i>		\$500,000,000	\$364,380,000	2009
<i>Multi-Family Housing Revenue Bonds – 2006 Series J-I††</i>	296	\$100,000,000	\$100,000,000	2007
<u>LIBERTY BOND PROGRAM</u>				
<i>Multi-Family Mortgage Revenue Bonds</i>				
90 Washington Street ¹	398	\$74,800,000	\$74,800,000	2005
The Crest ²	476	\$143,800,000	\$138,800,000	2005
2 Gold Street ¹	650	\$217,000,000	\$207,400,000	2006
90 West Street ¹	410	\$112,000,000	\$112,000,000	2006
201 Pearl Street Development ¹	189	\$90,000,000	\$89,200,000	2006
8 Spruce Street ³	899	\$203,900,000	\$203,900,000	2014
<u>CAPITAL FUND REVENUE BOND PROGRAM</u>				
<i>New York City Housing Authority Program⁴</i>	N/A	\$656,085,000	\$639,990,000	2013
<u>SECURED MORTGAGE REVENUE BOND PROGRAM</u>				
<i>Multi-Family Secured Mortgage Revenue Bonds</i>	1,352	\$112,095,000	\$101,145,000	2005-2013
<u>PASS-THROUGH REVENUE BOND PROGRAM</u>				
<i>Multi-Family Pass-Through Revenue Bonds--2014 Series A</i>	410	\$34,493,378	\$34,356,785	2014
TOTAL	<u>142,920</u>	<u>\$14,768,387,218</u>	<u>\$9,200,755,625</u>	

* Information for all series of bonds that the Corporation has issued under its Housing Revenue Bond Program from 1993 through 2014 as described in Section C above.

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

^{††} The Corporation has issued \$100,000,000 principal amount of its Multi-Family Housing Revenue Bonds, 2006 Series J-1 (the “2006 Series J-1 Bonds”) under the MFHRB General Resolution. On July 13, 2012, the 2006 Series J-1 Bonds became a Series of Bonds that is separately secured from all other Bonds issued and to be issued under the MFHRB General Resolution such that no revenues or assets pledged under the MFHRB General Resolution are available for the payment of 2006 Series J-1 Bonds and no revenues or assets pledged under the Amended and Restated 2006 Series J-1 Supplemental Resolution will be available for the payment of any Bonds (other than the 2006 Series J-1 Bonds) issued and to be issued under the MFHRB General Resolution.

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

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

³ This project was previously known as Beekman Tower and is financed with separate series of bonds issued under the Multi-Family Program Commercial Backed Mortgage Securities described in section I(A) above and the Liberty Bond Program described in section I(D) above.

⁴ A portion of the proceeds of the bonds was used to defease and advance refund the prior program bonds. The proceeds were deposited into an escrow account and invested in cash and non-callable direct obligations of the United States of America, the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal and interest on, and the redemption prices of, the defeased bonds to their maturity or redemption date. All of the defeased bonds will be redeemed by July 15, 2015.

⁵ The project was financed with draw down bonds. The total bonds issued is expected to be \$72,790,000.

⁶ This project was financed with draw down bonds. The total bonds issued is expected to be \$33,000,000.

⁷ This project was financed with draw down obligations. The total obligations issued is expected to be \$12,850,000

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

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

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

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

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

E. Mixed Income Program. The Corporation has established a Mixed-Income Program to finance the construction or substantial rehabilitation of mixed-income multi-family rental housing. Mixed Income projects are financed with a first mortgage loan funded from tax-exempt bond proceeds, a subordinate mortgage loan funded from the Corporation’s reserves and in some cases, as of right 4%

Federal tax credits. Typically, the developments reserve 50% of the units for market rate tenants, 30% of the units for moderate to middle income tenants and 20% of the units for low income tenants.

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

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

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

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

IV. LOAN SERVICING. The Corporation services the majority of its own loans and also services loans for others. Such loan servicing activities, which are described below, relate to over 1,452 mortgage loans with an approximate aggregate face amount of \$14.6 billion.

A. *Portfolio Servicing.* The Corporation acts as loan servicer in connection with the permanent mortgage loans made to approximately 709 developments under its bond, mortgage loan and other loan programs (including its Housing Revenue Bond Program) in the approximate aggregate face amount of \$9.3 billion.

B. *HPD Loan Servicing.* The Corporation acts as loan servicer in connection with certain construction and permanent housing loan programs of HPD pursuant to several agreements with HPD. As of July 31, 2014 the Corporation was servicing construction and permanent loans made to approximately 559 developments in the approximate aggregate face amount of \$2.4 billion.

C. *Loan Servicing Monitoring.* In addition to the Corporation’s loan servicing activities, the Corporation monitors the loan servicing activities of other servicers who service approximately 184 mortgage loans made under the Corporation’s various bond, mortgage loan and other loan programs in the approximate aggregate face amount of \$3 billion.

DESCRIPTION OF SECTION 8 PROGRAM**Section 8 Program**

General. The following is a brief description of certain aspects of the housing assistance payments program (the “Section 8 program”) authorized by Section 8 of the United States Housing Act of 1937, as amended (the “1937 Housing Act”), and the Multifamily Assisted Housing Reform and Affordability Act of 1997, as amended (“MAHRA”), which is qualified in its entirety by references to the applicable provisions of said Acts and the applicable regulations thereunder (the “Regulations”). The description applies to the variants of the Section 8 program involving subsidy contracts that were originally provided in connection with the new construction or substantial rehabilitation of projects for lower income families and involving such contracts that have been renewed pursuant to MAHRA.

The Section 8 program is administered by HUD and authorizes subsidy payments pursuant to Housing Assistance Payments Contracts (“HAP Contracts”) to the owners of qualified housing for the benefit of lower income families (defined generally as families whose income does not exceed 80% of the median income for the area as determined by HUD) and very-low income families (defined generally as families whose income does not exceed 50% of the median income for the area as defined by HUD). Provision is made under the 1937 Housing Act and Regulations for administration of the Section 8 program through state or local housing finance agencies acting as contract administrator (the “Contract Administrator”) of the HAP Contracts. Under this arrangement, the Contract Administrator agrees to pay the subsidy to or for the account of the mortgagor and concurrently contracts with HUD for payments of the subsidy by HUD to it. HUD may also serve as Contract Administrator.

Under the 1937 Housing Act and the Regulations, not more than 15% of the dwelling units which become available for occupancy under HAP Contracts after October 1, 1981 shall be available for leasing by lower income families other than very-low income families. The law also requires that not less than 40% of the dwelling units that become available for occupancy in any fiscal year shall be available for leasing only by families whose annual income does not exceed 30% of area median income (as determined by HUD and adjusted for family size) at the time of admission.

Renewal of HAP Contracts. Upon the initial expiration of the long-term HAP Contract originally entered into with respect to a development (an “Original Contract”), certain owners of developments that had Section 8 subsidies based on contract rents that were below comparable market rents applied to HUD for HAP Contract renewal at increased contract rent levels pursuant to MAHRA. In addition, owners of certain developments whose Original Contracts are now nearing expiration, as well as owners of certain developments whose renewed HAP Contracts are nearing expiration, may apply to HUD for such renewals. Pursuant to such MAHRA renewals, contract rent levels are increased based on a HUD-established Operating Costs Adjustment Factor or, in HUD’s discretion upon request of an owner of a development meeting certain criteria, to higher rents equal to those of comparable market rate properties as established by a HUD-approved rent comparability study.

Although such renewed HAP Contracts, like the respective Original Contracts, may have contract terms that are relatively long (for example, 20 years), upon the initial execution of the renewed HAP Contracts and each year thereafter, Congress has appropriated, and HUD has obligated, generally only an amount estimated to be sufficient to fund one year (or less) of the contract term, and HUD’s obligation with respect to the remainder of the term is subject to Congressional appropriations, which may or may not be available. (With respect to certain Original Contracts, an amount estimated to be sufficient to fund the contract for its full term was generally appropriated in advance.) Absent such appropriations, there is no assurance that funds will be available under these contracts. See “No Assurance as to Appropriations” below.

Amount and Payment of Subsidy. Section 8 subsidies under HAP Contracts are based upon the contract rents applicable to specified dwelling units, which are established in the respective Original Contract or renewed HAP Contract and are adjusted from time to time as described herein. The housing assistance payments generally represent the difference between the contract rents for all eligible units in a development, as approved by HUD from time to time, and the eligible tenant’s contribution, which is generally 30% of such tenant’s income, as adjusted for

family size, income and expenses, with certain adjustments, although each assisted family is generally required to pay a minimum rent of between \$25 and \$50 per month.

Subsidy Contracts. The payment of subsidies under the Section 8 program is made pursuant to two contracts entered into with respect to each development assisted under such program: an annual contributions contract (the "ACC") between HUD and the Contract Administrator, and the HAP Contract between the Contract Administrator and the owner. The ACC obligates the United States, subject to appropriation of funds by Congress, to provide funds to the Contract Administrator with which to make monthly housing assistance payments to the owner pursuant to a HAP Contract. HUD may also serve as Contract Administrator. The ACC establishes the maximum annual amount of the housing assistance payments to be made by HUD for the account of the mortgagor of a development. This amount may not exceed the total of the initial contract rents and utility allowances for the eligible units in a development and any administrative fee (or such lesser amount as has been appropriated by Congress and obligated by HUD for the year). The HAP Contract provides for housing assistance payments with respect to a dwelling unit covered by the HAP Contract on the condition that such unit is maintained according to the requirements of the HAP Contract and is occupied by an eligible tenant. An ACC remains in effect for as long as a HAP Contract is in effect.

Adjustment of Subsidy Amounts. Each HAP Contract provides for certain adjustments in contract rents. Original Contracts generally provide for annual adjustments based on a HUD-published Annual Adjustment Factor intended to reflect changes in area rents. Renewed HAP Contracts, in most cases, provide for annual adjustments in contract rents based upon an Operating Cost Adjustment Factor (OCAF). The OCAF is intended to reflect increases in the cost of operating comparable rental properties, which may or may not correspond to circumstances affecting a particular Section 8 development. Certain renewed HAP Contracts with terms longer than five years provide that the Contract Administrator shall, at the expiration of each five-year portion of the contract term, adjust contract rents so as to equal comparable market rents as determined by the Contract Administrator. Certain of such renewed HAP Contracts also provide that HUD may, at its discretion, require or permit the Contract Administrator to make such market comparability adjustments one additional time within each such five-year period. Such market comparability adjustments at the end of (or during) each five-year portion of the contract term may raise or lower contract rents.

As noted above, HAP Contracts are subject to Congressional appropriations, which may not be available. The failure of the Congress to appropriate funds to pay subsidies pursuant to the HAP Contracts for the Project (including increases in subsidies pursuant to an OCAF) could have an adverse impact on the ability of the Mortgagor to pay debt service on the Mortgage Loan.

Vacancies and Debt Service. Generally, the Section 8 subsidy is payable with respect to the dwelling unit only when it is occupied by a qualified person or family. However, certain HAP Contracts provide for payment of the subsidy under certain circumstances and, for a limited period of time, when the dwelling unit is not occupied. Upon the occurrence of a vacancy in a dwelling unit, a subsidy amounting to 80% of the contract rent is payable for a vacancy period of 60 days subject to compliance by the mortgagor with certain conditions relating primarily to a diligent effort to rent the subsidized unit. The payment of a subsidy with respect to a dwelling unit vacant after initial rent-up may continue for an additional 12 months from the expiration of the 60-day period in an amount equal to the principal and interest payments required to amortize the debt service attributable to the vacant unit, if a good faith effort is being made to fill the unit and the unit provides decent, safe, and sanitary housing. Such continued payments also require the mortgagor to show that project costs exceed revenues, a good faith effort is being made to fill the unit and the additional subsidy payments do not exceed the deficiency attributable to the vacant units.

Compliance With Subsidy Contracts. The ACC and the HAP Contract each contain numerous agreements on the part of the Contract Administrator and the owner concerning, among other things, maintenance of the development as decent, safe and sanitary housing and compliance with a number of requirements typical of Federal contracts (such as non-discrimination, equal employment opportunity, relocation, pollution control and labor standards) as to which non-compliance by the owner may result in abatement by HUD or the Contract Administrator, as the case may be, of the payment of the Federal subsidy, in whole or in part.

Housing assistance payments will continue (subject to appropriation of sufficient funds by Congress) as long as the owner complies with the requirements of the HAP Contract and has leased the assisted units to an eligible tenant or satisfies the criteria for receiving assistance for vacant units. The Contract Administrator, which

has primary responsibility for administering each HAP Contract subject to review and audit by HUD, subject to an opportunity by the mortgagor to cure any default under the HAP Contract, may abate housing assistance payments and recover overpayments pending remedy of the default. If the default is not cured, the Contract Administrator may terminate the HAP Contract or take other corrective action, in its discretion or as directed by HUD. HUD has an independent right to determine whether the owner is in default and to take corrective action and apply appropriate remedies.

If HUD determines that the Contract Administrator has failed to fulfill its obligations, HUD may, after notice to the Contract Administrator giving it a reasonable opportunity to take corrective action, require that the Contract Administrator assign to it all rights under the HAP Contract. In recent years, HUD has placed increasing emphasis on assuring that Contract Administrators fulfill their obligations in this respect.

Where HUD is the Contract Administrator for a project, HUD may at any time assign a state or local housing agency selected by HUD to serve as Contract Administrator.

Late Payments in 2007

During 2007, a revision by HUD in its legal interpretation of certain Section 8 renewal contracts led HUD to conclude that it only could stay within appropriated funding levels by amending renewal contracts to more explicitly allow for partial-year funding of those contracts. As a result of the time it took to implement this change, many fiscal 2007 payments were not paid on time. While HUD allowed owners to take steps such as borrowing against project reserves, some owners indicated that the delayed payments caused late fees on mortgages or other bills or interruptions in service at their properties.

HUD now has made the necessary contract changes to allow for partial-year renewal funding of such contracts, but has told Congress that further improvements are needed in its budgeting, contract management and payment process. If future problems in these systems resulting from partial-year funding or otherwise cause delayed subsidy payments, such delays could jeopardize the Mortgagor's ability to fulfill its obligations under the Mortgage Loan in a timely fashion.

No Assurance as to Appropriations. As noted above, although renewed HAP Contracts may have relatively long contract terms, each year Congress has appropriated, and HUD has obligated, generally only an amount estimated to be sufficient to fund one year (or less) of the contract term, and HUD's obligation with respect to the remainder of the term is subject to Congressional appropriations. The President's March 1, 2013 sequestration order pursuant to the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012 resulted in a reduction of appropriations for the fiscal year ending September 30, 2013 for housing assistance payments under renewed HAP Contracts, which HUD implemented by funding certain renewed HAP Contracts for less than twelve months from such fiscal year's appropriations. Since payments received under the HAP Contracts for the Project constitute a primary source of revenues for the Project, failure by Congress to continue to appropriate sufficient amounts to fund HAP Contracts at any point during the terms of the HAP Contracts for the Project would have a material adverse impact on the ability of the Project to generate revenues sufficient to pay the principal of and interest on the Mortgage Loan. Furthermore, a delay in the availability of an annual appropriation could result in a delay in payments under the HAP Contracts for the Project, which could jeopardize the Mortgagor's ability to fulfill its obligations under the Mortgage Loan in a timely fashion.

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PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon delivery of the 2014 Series A-1 Bonds and the 2014 Series A-2 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to issue its approving opinion in substantially the following form:

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

Ladies and Gentlemen:

We, as bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”), have examined a record of proceedings relating to the issuance by the Corporation of \$230,000,000 Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-1 (the “2014 Series A-1 Bonds”) and \$5,000,000 Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-2 (the “2014 Series A-2 Bonds”); the 2014 Series A-1 Bonds and the 2014 Series A-2 Bonds being collectively referred to as the 2014 Bonds”).

The 2014 Bonds are authorized to be issued pursuant to the Act and the Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development) Bond Resolution of the Corporation, adopted December 3, 2014 (herein called the “Resolution”). The 2014 Bonds are being issued for the purpose of financing the Mortgage Loan (as defined in the Resolution).

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

The Corporation is authorized to issue other Bonds (as defined in the Resolution), in addition to the 2014 Bonds, for the purposes and upon the terms and conditions set forth in the Resolution, and such Bonds, when issued, shall, with the 2014 Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

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

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

1. The Corporation has been duly created and validly exists as a corporate governmental agency constituting a public benefit corporation, under and pursuant to the laws of the State of New York (including the Act), and has good right and lawful authority, among other things, to finance the Mortgage Loan, to provide sufficient funds therefor by the adoption of the Resolution and the issuance and sale of the 2014 Bonds, and to perform its obligations under the terms and conditions of the Resolution, including financing the Mortgage Loan, 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 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 Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Resolution, are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

5. The Bonds, including the 2014 Bonds, are secured by a pledge in the manner and to the extent set forth in the Resolution. The Resolution creates the valid pledge of and lien on the Revenues (as defined in the Resolution) and all the Accounts (other than the Rebate Fund) established by the Resolution and moneys and securities therein, which the Resolution purports to create, subject only to the provisions of the Resolution permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

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

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

8. Under existing statutes and court decisions, (i) interest on the 2014 Series A-1 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2014 Series A-1 Bond for any period during which such 2014 Series A-1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the 2014 Series A-1 Bonds or a “related person,” and (ii) interest on the 2014 Series A-1 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagor (as defined in the Resolution) and others, in connection with the 2014 Series A-1 Bonds, and we have assumed compliance by the Corporation and the Mortgagor with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2014 Series A-1 Bonds from gross income under Section 103 of the Code.

9. Interest on the 2014 Series A-2 Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

10. Under existing statutes, interest on the 2014 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 Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2014 Series A-1 Bonds, or the exemption of interest on the 2014 Bonds from personal income taxes 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 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-1 Bond and an executed 2014 Series A-2 Bond and in our opinion the forms of said Bonds and their execution are regular and proper.

Very truly yours,

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of December 23, 2014, is executed and delivered by Triborough Preservation LLC (the “Mortgagor”) and U.S. Bank National Association (the “Bond Trustee”) in connection with the issuance of \$230,000,000 aggregate principal amount of the Corporation’s Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-1 (the “2014 Series A-1 Bonds”) and \$5,000,000 aggregate principal amount of the Corporation’s Multi-Family Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development), 2014 Series A-2 (the “2014 Series A-2 Bonds” and, together with the 2014 Series A-1 Bonds, the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the New York City Housing Development Corporation (the “Issuer”), on December 3, 2014 (the “Resolution”). The Mortgagor and the Bond Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Mortgagor and the Bond Trustee for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Mortgagor pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the President or any Vice President of the general partner of the Mortgagor or his or her designee, or such other officer or employee as the Mortgagor shall designate in writing to the Bond Trustee from time to time.

“Dissemination Agent” shall mean any dissemination agent (which may be the Bond Trustee) designated in writing by the Mortgagor and which (if not the Bond Trustee) has filed with the Bond Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” means the final Official Statement dated December 17, 2014 relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New York.

SECTION 3. Provision of Annual Reports.

(a) The Mortgagor shall, or shall cause the Dissemination Agent, if any, to, not later than 180 days after the end of the Mortgagor’s fiscal year (presently December 31), commencing with the report for the 2014 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be submitted to the Repository’s EMMA system either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by MSRB to accurately identify: (i) the category of information being provided; (ii) the time period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the Mortgagor’s submitter of Dissemination Agent, if any, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited consolidated financial statements of the Mortgagor may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Mortgagor’s fiscal year changes, the Mortgagor shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Mortgagor shall provide the Annual Report to the Dissemination Agent, if any, and the Bond Trustee. If by such date, the Bond Trustee has not received a copy of the Annual Report, the Bond Trustee shall contact the Mortgagor and the Dissemination Agent, if any, to determine if the Mortgagor is in compliance with the first sentence of this subsection (b).

(c) If the Bond Trustee is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Bond Trustee shall send a notice to the Repository in substantially the form attached as Exhibit A.

SECTION 4. Content of Annual Reports. The Mortgagor’s Annual Report shall contain or include by reference the following:

The audited consolidated financial statements of the Mortgagor for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not otherwise included in the audited consolidated financial statements provided pursuant to paragraph (a) above, the financial information and operating data of the type contained under the heading “THE PROJECT AND THE MORTGAGOR” in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Mortgagor is an “obligated person” (as defined by the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Mortgagor shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Mortgagor shall give, or cause to be given, notice, in a timely manner (not in excess of ten business days after the Mortgagor obtains notice of the occurrence of such event), of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment 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, IRS notices or material events affecting the tax-exempt status of the 2014 Series A-1 Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material;
- (9) defeasances;
- (10) release, substitution or sale of property securing prepayment of the Bonds, if material;
- (11) rating changes;
- (12) tender offers;
- (13) bankruptcy, insolvency, receivership or similar proceeding of the Mortgagor;
- (14) the consummation of a merger, consolidation, or acquisition involving the Mortgagor or the sale of all or substantially all of the assets of the Mortgagor, other than 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;
- (15) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (16) failure to provide annual financial information as required.

(b) If a Listed Event occurs, the Institution shall provide each Event Notice to the Dissemination Agent and to the MSRB. Such notice must be filed in a timely manner, not later than 10 Business Days after the occurrence of such event.

(c) The Mortgagor shall promptly notify the Bond Trustee in writing in accordance with subsection (b) above. Such notice shall instruct the Bond Trustee to report the occurrence pursuant to the Rule and in accordance with this Agreement.

(d) Each Event Notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Bonds are affected by the related material event) CUSIP numbers of the Bonds.

(e) The Mortgagor may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Mortgagor does not undertake any commitment to provide such notice of any event except those events listed above.

SECTION 6. Termination of Reporting Obligation. The Mortgagor's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds and at such time that the Mortgagor ceases to be an "obligated person" (as defined by the Rule). If the Mortgagor's

obligations under the Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Mortgagor and the Mortgagor shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Mortgagor shall give notice of such termination, or shall cause notice of such termination to be given, in the same manner as for a Listed Event under Section 5(d).

SECTION 7. Dissemination Agent. The Mortgagor may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Mortgagor pursuant to this Disclosure Agreement, including but not limited to determining whether the contents of any Annual Report satisfy the requirements of Section 4 of the Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Mortgagor may amend this Disclosure Agreement (and the Bond Trustee shall agree to any amendment so requested by the Mortgagor), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of the Bond Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Mortgagor shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Mortgagor. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(d), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Mortgagor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Mortgagor chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Mortgagor shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Mortgagor or the Bond Trustee to comply with any provision of this Disclosure Agreement, the Bond Trustee may (and, at the request of any Participating Underwriters or the Holders of at least 51% aggregate principal amount of Outstanding Bonds, subject to its right to be indemnified to its satisfaction, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as

may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Mortgagor or Bond Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution or the Lease, and the sole remedy under this Disclosure Agreement in the event of any failure of the Mortgagor or the Bond Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Bond Trustee. For the purposes of defining the standards of care and performance and the protections and indemnities applicable to the Bond Trustee in the performance of its obligations under this Disclosure Agreement, Article IX of the Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Resolution. Anything herein to the contrary notwithstanding, other than as explicitly set forth herein, the Bond Trustee shall have no duty to investigate or monitor compliance by the Mortgagor with the terms of this Disclosure Agreement, including without limitation, reviewing the accuracy or completeness of any notices or filings filed by the Mortgagor hereunder.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Mortgagor:	Triborough Preservation LLC _____ _____ Attention: _____
To the Bond Trustee:	U.S. Bank National Association _____ _____ Attention: _____

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Mortgagor, the Bond Trustee, the Dissemination Agent, if any, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

TRIBOROUGH PRESERVATION LLC, a New York limited liability company

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Name:
Title:

EXHIBIT A

**NOTICE TO REPOSITORIES REGARDING
FINANCIAL INFORMATION**

Name of Agency: New York City Housing Development Corporation

Name of Bond Issue: \$235,000,000 New York City Housing Development Corporation Multi-Family
Rental Housing Revenue Bonds (NYCHA Triborough Preservation Development),
2014 Series A

Name of Company: Triborough Preservation LLC

Date of Issuance: December 23, 2014

NOTICE IS HEREBY GIVEN that the Company has not yet provided or caused the Company to provide the Annual Financial Information with respect to the above-named Bonds. The Company anticipates that the Annual Financial Information will be filed by [date].

Dated: _____

on behalf of Triborough Preservation LLC

cc: New York City Housing Development Corporation

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