

FUNDING LOAN AGREEMENT

among

CITIBANK, N.A.

and

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

and

[_____]

Dated as of December __, 2018

Relating to

New York City Housing Development Corporation
Multi-Family Mortgage Revenue Debt Obligations
(MEC 125 Parcel B West)

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FUNDING LOAN AGREEMENT

This Funding Loan Agreement, dated as of December __, 2018 (this "Funding Loan Agreement"), is entered into by CITIBANK, N.A. (together with any successor hereunder, the "Funding Lender"), 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 (together with its successors and assigns, the "Corporation"), and [_____], as fiscal agent (the "Fiscal Agent").

RECITALS

WHEREAS, the Corporation has been created by and pursuant to 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

WHEREAS, the Corporation has agreed to make a loan in the aggregate principal amount of \$[125,000,000] (the "Borrower Loan") to Parcel B West Moderate Income LLC, a _____ limited liability company, Parcel B West LIHTC LLC, a _____ limited liability company, and East Harlem MEC Parcel B West LLC, a _____ limited liability company (collectively, jointly and severally, the "Borrower") to finance the construction and equipping of a multi-family rental housing development in the Borough of Manhattan in the City and State of New York to be known as "MEC 125 Parcel B West" (the "Project");

WHEREAS, the Borrower Loan will be evidenced by one or more mortgage notes (collectively, the "Borrower Note"), each dated the date hereof, made by the Borrower payable to the order of the Corporation; and

WHEREAS, the Borrower Loan will be secured by, among other things, one or more mortgages (collectively, the "Borrower Mortgage"), each dated as of the date hereof, executed by the Borrower and East Harlem MEC Parcel B West Housing Development Corporation, a _____ not-for-profit corporation (the "HDFC"), for the benefit of the Corporation, and encumbering the Project; and

WHEREAS, the Corporation and the Funding Lender desire to enter into this Funding Loan Agreement under which (i) Funding Lender agrees to purchase from the Corporation an undivided participation (the "Participation") in Tranche B and Tranche C (each as defined below) of the Borrower Loan as provided herein, and (ii) the Funding Lender additionally agrees to make a loan to the Corporation (the "Funding Loan") in the aggregate amount of up to \$[50,500,000] as provided herein;

WHEREAS, the Corporation intends to (i) fund, from time to time, a portion ("Tranche A") of the Borrower Loan in the aggregate amount of \$[20,500,000] with proceeds a portion (the "Volume Cap Portion") of the Funding Loan be drawn pursuant to an allocation of private activity volume cap under the provisions of Section 146(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) fund, from time to time, an additional portion ("Tranche B") of the Borrower Loan in the aggregate amount of \$[74,500,000] with proceeds of the sale of the Participation ("Participation Purchase Payments"), and (iii) fund, from time to

time, the remaining portion ("Tranche C") of the Borrower Loan in the aggregate amount of \$[30,000,000] initially by drawing either (a) additional Participation Purchase Payments or (b) proceeds of the remaining portion (the "Recycling Portion") of the Funding Loan to the extent that at the time of such funding the Corporation determines that the portion of the Funding Loan so drawn would qualify for an exception to the private activity volume cap requirement of Section 146(a) of the Code ("Recycling Availability");

WHEREAS, to the extent that any amount of Tranche C of the Borrower Loan initially is funded with Participation Purchase Payments, the Corporation intends to later upon Recycling Availability draw proceeds of the Recycling Portion of the Funding Loan in such amount and repurchase such amount of the Participation; and

WHEREAS, concurrently herewith, the Corporation will execute and deliver to the Funding Lender its Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West), Number 1, dated the date hereof, in the maximum principal amount of the Volume Cap Portion of the Funding Loan and Tranche A of the Borrower Loan (the "Volume Cap Corporation Obligation") and, on the date of the first draw of the Recycling Portion of the Funding Loan, the Corporation will execute and deliver to the Funding Lender its Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West), Number 2, dated such date, in the maximum principal amount of the Recycling Portion of the Funding Loan and Tranche C of the Borrower Loan (the "Recycling Corporation Obligation"; together with the Volume Cap Corporation Obligation, the "Corporation Obligations"), which collectively will evidence the Corporation's obligation to make the payments due to the Funding Lender under the Funding Loan, payable solely from the revenues and amounts pledged therefor pursuant to this Funding Loan Agreement, all as provided in this Funding Loan Agreement;

NOW, THEREFORE, THIS FUNDING LOAN AGREEMENT WITNESSETH:

It is hereby covenanted and declared that (i) the Corporation Obligations are to be delivered to evidence the payment obligations of the Corporation pursuant to this Funding Loan Agreement and (ii) the Corporation does hereby covenant and agree to and with the Funding Lender and the Fiscal Agent, for the benefit (except as otherwise expressly provided herein) of the Funding Lender, as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Documents (as defined herein).

(b) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The term "heretofore" means before, and the term "hereafter" means after, the

effective date of this Funding Loan Agreement. The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(e) All references in this instrument to a separate instrument are to such separate instrument as the same may be modified, amended or supplemented from time to time pursuant to the applicable provisions thereof.

(f) Words importing persons shall include firms, limited liability companies, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(g) Any moneys, documents, securities, obligations or other items received by the Fiscal Agent pursuant to the terms of this Funding Loan Agreement shall be deemed to have been received by the Corporation.

(h) References to the Funding Loan or a Corporation Obligation as “tax exempt” or to the “tax exempt status” of the Funding Loan or a Corporation Obligation are to the exclusion of interest on such Corporation Obligation from gross income for Federal income tax purposes pursuant to Section 103 of the Code (other than any period during which such Corporation Obligation 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 Funding Loan or a “related person”).

(i) As used in this Funding Loan Agreement:

“Act” shall have the meaning set forth in the first WHEREAS clause hereto.

“Administrative Fee” shall mean the administrative and servicing fee of the Corporation in an amount equal to _____% per annum of the outstanding principal amount of the Borrower Loan, which shall be included in the interest rate on the Borrower Loan from the Closing Date to but not including the Permanent Conversion Date.

“Authorized Amount” shall mean \$[50,500,000], the maximum principal amount of the Funding Loan represented by the Corporation Obligations under this Funding Loan Agreement.

“Authorized Volume Cap Amount” shall mean \$[20,500,000], the maximum principal amount of the Volume Cap Portion of the Funding Loan represented by the Volume Cap Corporation Obligation under this Funding Loan Agreement.

“Authorized Officer” shall mean (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 Borrower, any member or officer of the Borrower then authorized to act for the Borrower and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Borrower then authorized to perform such act or discharge such duty; (c) when used with respect to the Fiscal Agent, any Managing Director, Director, Vice President, Assistant Vice President, trust officer or corporate trust administrator of the Fiscal Agent then authorized to act for the Fiscal Agent and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Fiscal Agent then authorized to perform such act or discharge such duty; and (d) when used with respect to the Funding Lender, any Managing Director or Vice President of the Funding Lender and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Funding Lender then authorized to perform such act or discharge such duty.

“Beneficiary Parties” shall mean the Corporation, the Fiscal Agent, the Funding Lender, any Servicer and their respective successors and assigns.

“Borrower” shall have the meaning set forth in the second WHEREAS clause hereto.

“Borrower Loan” shall have the meaning set forth in the second WHEREAS clause hereto.

“Borrower Loan Agreement” shall mean that certain Building and Project Loan Agreement, dated as of the date hereof, among the Corporation, the Borrower and the HDFC, as the same may be modified, amended or supplemented from time to time.

“Borrower Loan Documents” shall mean, collectively, (i) the Borrower Loan Agreement, (ii) the Borrower Note, (iii) the Borrower Mortgage, (iv) the Borrower Tax Certification, (v) related UCC financing statements, (vi) such assignments of management agreements, contracts and other rights as may be reasonably required in connection with the Borrower Loan, (vii) all other documents and agreements evidencing, securing, governing or otherwise pertaining to the Borrower Loan, (viii) the Continuing Disclosure Agreement, dated as of the date hereof, between the Borrower and the Funding Lender, as dissemination agent thereunder, and (ix) all amendments, modifications, renewals and substitutions of any of the foregoing. Notwithstanding the foregoing, “Borrower Loan Documents” shall not include the Commitment, the Regulatory Agreement, any indemnification of the Borrower or the Guarantor for the benefit of the Corporation, or that certain Grant Agreement, dated as of December __, 2018, by and between HPD and the Corporation, as the same may be modified, amended or supplemented from time to time, and any documents pertaining to said Grant Agreement.

“Borrower Mortgage” shall have the meaning set forth in the fourth WHEREAS clause hereto.

“Borrower Note” shall have the meaning set forth in the third WHEREAS clause hereto.

“Borrower Tax Certification” shall mean the tax certification of the Borrower delivered to the Corporation, Tax Counsel and the Funding Lender in connection with the closing of the Borrower Loan.

“Business Day” shall mean any day other than (a) a Saturday or a Sunday, (b) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed, or (c) a day on which (i) the permanent home office of the Funding Lender, (ii) banking institutions located in the City or (iii) the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Carryforward End Date” shall mean December 31, 2021 (or such later date as set forth in a Tax Counsel Not Adversely Affect Opinion).

“Certificate” shall mean (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 this Funding Loan Agreement or (b) the report of an accountant as to audit or other procedures called for by this Funding Loan Agreement.

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

“Closing Costs” shall mean all items of expense, directly or indirectly payable or reimbursable by or to the Corporation and related to the authorization and closing of the Borrower Loan, including, but not limited to, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, the financing fee of the Corporation, and any other cost, charge or fee in connection with the closing of the Borrower Loan.

“Closing Date” shall mean December __, 2018

“Code” shall have the meaning set forth in the sixth WHEREAS clause hereto.

“Commitment” shall mean the Construction and Permanent Financing Commitment and Agreement of the Corporation, dated December __, 2018, accepted and agreed to by the Borrower and the HDFC, and accepted and agreed to in part by the Guarantor, as the same may be modified, amended or supplemented from time to time.

“Contingency Draw-Down” shall have the meaning set forth in Section 7.10(b) hereof.

“Corporation Obligation” or “Corporation Obligations” shall have the meaning set forth in the eighth WHEREAS clause hereto.

“Current Tax Counsel” shall have the meaning set forth in Section 7.10(b) hereof.

“Date of Purchase” shall have the meaning set forth in Section 9.2(c) hereof.

“Draw-Down Notice” shall have the meaning set forth in Section 7.10(b) hereof.

“Escrow Payments” shall mean and include all amounts whether paid directly to the Corporation or the Servicer representing payments to obtain or maintain mortgage insurance or any subsidy with respect to the Borrower 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.

“Fiscal Agent” shall mean the Fiscal Agent designated herein and its successor or successors and any other person at any time substituted in its place pursuant hereto.

“Funding Loan” shall have the meaning set forth in the fifth WHEREAS clause hereto.

“Funding Loan Documents” shall mean, collectively, (i) this Funding Loan Agreement, (ii) the Corporation Obligation, (iii) the Regulatory Agreement, (iv) the Tax Certificate, (v) the Borrower Loan Documents, (vi) all other documents and agreements evidencing, securing, governing or otherwise pertaining to the Funding Loan and (vii) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Funding Loan Participation” shall have the meaning set forth in Section 2.4(b) hereof.

“Funding Loan Proceeds Account” shall mean the Funding Loan Proceeds Account established pursuant to this Funding Loan Agreement.

“Government Obligations” shall mean (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” shall mean The Richman Group Development Corporation, a _____, or any other person or entity which may hereafter become a guarantor of any of Borrower’s obligations under the Loan.

“Guaranty” shall mean each of (i) the Completion Guaranty, dated as of the date hereof, by _____ for the benefit of the Beneficiary Parties, (ii) the Limited Payment Guaranty, dated as of the date hereof, by _____ for the benefit of the Beneficiary Parties, (iii) the Exceptions to Non-Recourse Guaranty, dated as of the date hereof, by the Guarantor for the benefit of the Beneficiary Parties, (iv) the Non-Recourse Carve-Out Guaranty, dated as of the date hereof, by the Guarantor for the benefit of the Corporation, (v) the Agreement of Environmental Indemnification, dated as of the date hereof, by the Borrower and the Guarantor for the benefit of the Beneficiary Parties, and (vi) the Joint and Several Hazardous Material Guaranty and Indemnification Agreement, dated as of the date hereof, by the Borrower and the Guarantor for the benefit of the Corporation.

“HDFC” shall have the meaning set forth in the fourth WHEREAS clause hereto.

“HPD” shall mean The City of New York, acting by and through its Department of Housing Preservation and Development.

[“Initial Draw” shall have the meaning set forth in Section 2.1(b) hereof.]

“Investment Securities” shall mean and include 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, for investment of any moneys held under this Funding Loan Agreement:

- (a) Government Obligations;
- (b) any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers’ Home Administration and Export-Import Bank of the United States;
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by any Federal agency and backed by the full faith and credit of the United States of America;
- (d) any other obligation of the United States of America or any Federal agencies which may be purchased by New York State Savings Banks;
- (e) deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described above, or (ii) fully insured by the Federal Deposit Insurance Corporation or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service;
- (f) any participation certificate of the Federal Home Loan Mortgage Corporation and any mortgage-backed securities of the Federal National Mortgage Association;
- (g) short-term corporate obligations, known as Commercial Paper, with a maturity of up to 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;
- (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;

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

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

"Letter of Representation and Indemnity Agreement" shall have the meaning set forth in Section 6.1(m) hereof, and the form of which is attached hereto as EXHIBIT F.

"Loan Year" means a twelve-month period ending on the anniversary of the Closing Date in any year.

"Mandatory Prepayment" shall mean the payment of \$[8,000,000] on the Conversion Date (as such term is defined in the Borrower Note).

"Maturity Date" shall mean (i) with respect to the Volume Cap Portion of the Funding Loan, _____, 20__, and (ii) with respect to the Recycling Portion of the Funding Loan, _____, 20__.

"Maximum Rate" shall mean ten percent (10%) per annum.

"Mortgage Assignment Event" shall have the meaning given to such term in Section 9.1 hereof.

"Mortgage Insurance" shall mean, with respect to the Borrower Loan, either (i) the federal mortgage insurance authorized pursuant to Section 542(c) of the Housing and Community Development Act of 1992 or (ii) the partial mortgage insurance for multi-family rental housing developments issued by the New York City Residential Mortgage Insurance Corporation, a subsidiary corporation of the Corporation, or (iii) the mortgage insurance for multi-family rental housing developments authorized pursuant to the State of New York Mortgage Agency Act, constituting Chapter 612 of the Laws of New York, 1970, as amended, as the case may be.

"Negative Arbitrage Account" shall mean the Negative Arbitrage Account established pursuant to this Funding Loan Agreement.

"Opinion of Counsel" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Corporation, with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Corporation Obligations from gross income for Federal income tax purposes, such opinion shall be provided by Tax Counsel.

"Participation" shall have the meaning set forth in the fifth WHEREAS clause hereto.

“Participation Proceeds Account” shall mean the Participation Proceeds Account established pursuant to this Funding Loan Agreement.

“Participation Purchase Payments” shall have the meaning set forth in the sixth WHEREAS clause hereto.

“Permanent Conversion Date” shall have the same meaning as the definition of “Conversion Date” as set forth in the Borrower Note.

“Permitted Encumbrances” shall mean 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 Project for the intended purposes.

“Permitted Transferee” shall have the meaning set forth in Section 8.2(d) hereof.

“Pledged Revenues” shall mean the amounts pledged under this Funding Loan Agreement to secure the payment of principal, interest and premium, if any, due on the Funding Loan, as evidenced by the Corporation Obligations, consisting of the following: (i) all income, revenues, proceeds, including insurance and condemnation proceeds, and other amounts to which the Corporation is entitled (other than the Administrative Fee) received by the Fiscal Agent or the Corporation and derived from or in connection with the Project and the Funding Loan Documents, including all amounts due under the Borrower Loan Documents and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents, all subject to Section 2.1(g) hereof, and (ii) moneys held in the funds and accounts (other than the Participation Proceeds Account) established under this Funding Loan Agreement, together with investment earnings thereon, but shall not mean or include amounts required to be deposited into the Rebate Fund, any Escrow Payments, late charges or any amount entitled to be retained by the Servicer, as administrative, financing, extension or settlement fees of the Servicer.

“Precipitating Event” shall have the meaning set forth in Section 9.2(a)(x) hereof.

“Project” shall have the meaning set forth in the second WHEREAS clause hereto.

“Purchase Price” shall have the meaning set forth in Section 9.2(c) hereof.

“Rebate Amount” shall have the meaning set forth in Section 7.9(b) hereof.

“Rebate Fund” shall mean the Rebate Fund established pursuant to this Funding Loan Agreement.

“Recycling Availability” shall have the meaning set forth in the sixth WHEREAS clause hereto.

“Recycling Portion” shall have the meaning set forth in the sixth WHEREAS clause hereto.

“Recycling Agency Obligation” shall have the meaning set forth in the eighth WHEREAS clause hereto.

“Regulatory Agreement” shall mean the Regulatory Agreement, dated as of the date hereof, by and among the Corporation, the Borrower, the HDFC and HPD, as the same may be modified, amended or supplemented from time to time.

“Remaining Volume Cap Amount” shall have the meaning set forth in Section 7.10(b) hereof.

“Repurchase Price” shall mean, with respect to a principal amount of the Participation to be repurchased by the Corporation, 100% of such principal amount plus interest accrued to the repurchase date on such principal amount of Tranche B and Tranche C of the Borrower Loan.

“Required Transferee Representations” shall mean the representations in substantially the form attached to this Funding Loan Agreement as EXHIBIT B, duly executed by the holder or any proposed holder of the Corporation Obligation and delivered to the Corporation and the Fiscal Agent pursuant to Section 2.4(a) hereof.

“Resolution” shall mean the Resolution Approving the Funding Loan Agreement, Authorizing the Issuance of the Multi-Family Mortgage Revenue Debt Obligations (MEC 125 Parcel B West), and Certain Other Matters in Connection Therewith, adopted by the Corporation on _____.

“Revenue Account” shall mean the Revenue Account established pursuant to this Funding Loan Agreement.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Security” shall mean the security for the performance by the Corporation of its obligations under the Corporation Obligations and this Funding Loan Agreement, as more fully set forth in Article IV hereof.

“Servicer” shall mean any person appointed by the Corporation to service the Borrower Loan in accordance with Section 8.5 hereof, which shall initially be the Funding Lender.

“Servicing Agreement” shall mean the Servicing Agreement with respect to, among other things, the Borrower Loan, among the Corporation, the Borrower and the Servicer, as the same may be modified, amended or supplemented from time to time.

“State” shall mean the State of New York.

“Tax Certificate” shall mean the Tax Regulatory Certificate, dated the Closing Date, executed and delivered by the Corporation and the Borrower.

“Tax Counsel” shall mean Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys designated by the Corporation and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

“Tax Counsel Approving Opinion” shall mean, with respect to a Corporation Obligation, an opinion of Tax Counsel (in a form acceptable to the Corporation and the Funding Lender) substantially to the effect that such Corporation Obligation is a valid and legally binding special revenue obligation of the Corporation and that, under existing statutes and court decisions, interest on such Corporation Obligation (or portions thereof, as provided in said opinion) is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Tax Counsel Not Adversely Affect Opinion” shall mean an opinion of Tax Counsel (in a form acceptable to the Corporation and the Funding Lender) substantially to the effect that the taking of the action specified therein, in and of itself, will not adversely affect the exclusion of interest on the Corporation Obligations from gross income for Federal income tax purposes pursuant to Section 103 of the Code (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Title Confirmation” shall have the meaning set forth in Section 2.1(b) hereof.

“Tranche A”, “Tranche B” and “Tranche C” shall have the meanings set forth in the sixth WHEREAS clause hereto.

“UCC-1s” shall have the meaning set forth in Section 9.3(4) hereof.

“Volume Cap Corporation Obligation” shall have the meaning set forth in the eighth WHEREAS clause hereto.

“Volume Cap Portion” shall have the meaning set forth in the sixth WHEREAS clause hereto.

“Work-Out Certificate” shall have the meaning set forth in Section 9.2(a) hereof.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date. The effective date of this Funding Loan Agreement is set forth in Section 12.10 hereof.

Section 1.4. Designation of Time and Date for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the City. When used in this Funding Loan Agreement, if an action is specified to occur on a certain day, the term “day” shall mean a Business Day, unless the context requires otherwise.

Section 1.5. Interpretation. The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II

TERMS; CORPORATION OBLIGATIONS; PARTICIPATION

Section 2.1. Terms of Corporation Obligations; Funding of Funding Loan and Participation Purchase Payments.

(a) *Principal Amount*. The aggregate principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

(b) *Draw-Down Funding of Funding Loan; Participation Purchase Payments; Repurchase of Participation*. The provisions of this Section 2.1(b) shall be subject to the provisions of Section 7.10 hereof.

(i) The Funding Loan is originated on a draw-down basis; [provided, however, that (A) \$_____ of the principal amount of the Funding Loan (the "Initial Draw") shall be drawn down and deposited into the Funding Loan Proceeds Account on the date hereof whereupon such principal amount of the Volume Cap Portion of the Funding Loan, evidenced by the Volume Cap Corporation Obligation, shall be outstanding, and (B) none of the remaining principal amount of the Funding Loan shall be drawn down and deposited into the Funding Loan Proceeds Account until the entire amount described in clause (A) above has been applied pursuant to Section 7.5(c) hereof].

(ii) At least \$55,000 in principal amount of the Volume Cap Portion of the Funding Loan, evidenced by the Volume Cap Corporation Obligation, shall be drawn down and deposited into the Funding Loan Proceeds Account, and thereupon advanced to the Borrower under the Borrower Loan pursuant to Section 7.5(c) hereof, on the Closing Date.

(iii) Upon approval by the Servicer of a requisition pursuant to the terms of the Servicing Agreement and the Borrower Loan Agreement from the Borrower for an advance of the Borrower Loan, as further described in Section 7.5(c) hereof, (A) to the extent that the amount requisitioned and so approved relates to an advance of Tranche A of the Borrower Loan (an "Approved Tranche A Requisitioned Amount") and requires an advance under the Funding Loan, the Funding Lender shall advance to the Fiscal Agent for the account of the Corporation proceeds of the Funding Loan in an amount equal to such Approved Tranche A Requisitioned Amount, (B) to the extent that the amount requisitioned and so approved relates to an advance of Tranche B of the Borrower Loan (an "Approved Tranche B Requisitioned Amount"), the Funding Lender shall make to the Fiscal Agent for the account of the Corporation a Participation Purchase Payment in an amount equal to such Approved Tranche B Requisitioned Amount, and (C) to the extent that the amount so requisitioned and approved relates to an advance of Tranche C of the Borrower Loan (an "Approved Tranche C Requisitioned Amount"), the

Funding Lender (I) if so requested in a Certificate of an Authorized Officer of the Corporation dated the date of the requested Borrower Loan advance, accompanied by the items specified in Section _____ hereof dated such date, shall advance to the Fiscal Agent for the account of the Corporation proceeds of the Funding Loan in an amount equal to all or a specified portion, as requested in such Certificate (such amount, the “Requested Funding Loan Portion”), of such Approved Tranche A Requisitioned Amount, and (II) shall make to the Fiscal Agent for the account of the Corporation a Participation Purchase Payment in an amount (a “Tranche C Participation Purchase Amount”) equal to such Approved Tranche C Requisitioned Amount less the amount of the Requested Funding Loan Portion, if any, of such Approved Tranche C Requisitioned Amount.

(iv) If, on any day, pursuant to paragraph (ii) or paragraph (iii) above, proceeds of the Funding Loan are received by the Fiscal Agent for deposit in the Funding Loan Proceeds Account, or Participation Purchase Payments are received by the Fiscal Agent for deposit in the Participation Proceeds Account, or both, and the Fiscal Agent has received evidence from the Servicer (which may be in the form of an e-mail) of confirmation of a satisfactory state of title with respect to the Project (a “Title Confirmation”), by 11:00 a.m., New York City time, on such day, then the Fiscal Agent shall forward all such funds to the Servicer by 2:00 p.m., New York City time, on the same day, and (A) an amount of the Funding Loan equal to the amount, if any, so deposited in the Funding Loan Proceeds Account will be considered advanced under this Funding Loan Agreement (in addition to the amount, if any, theretofore advanced hereunder), and (B) the amount of the Participation will be increased as provided in Section 2.1(g) hereof by the amount, if any, so deposited in the Participation Proceeds Account. If such amounts are received by the Fiscal Agent by 11:00 a.m., New York City time, on the day of the advance, and the Fiscal Agent receives a Title Confirmation after 11:00 a.m., New York City time, but prior to 1:00 p.m., New York City time, on the day of the advance, then the Fiscal Agent shall use its best efforts to forward such funds to the Servicer on the same day; provided, however, that if such funds are not forwarded to the Servicer until the following Business Day, then (A) an amount of the Funding Loan equal to the amount, if any, so deposited in the Funding Loan Proceeds Account will be considered advanced under this Funding Loan Agreement on, but not prior to, such following Business Day, and (B) the amount of the Participation will be increased as provided in Section 2.1(g) hereof on, but not prior to, such following Business Day by the amount, if any, so deposited in the Participation Proceeds Account. If the Fiscal Agent does not receive a Title Confirmation prior to 1:00 p.m., New York City time, on the day of the advance, then the Fiscal Agent shall return such amounts to the Funding Lender and (A) no additional amount of the Funding Loan shall be considered so advanced under this Funding Loan Agreement and (B) the amount of the Participation shall not be so increased.

(v) On each Business Day (a “Participation Repurchase Date”) specified in a Certificate of an Authorized Officer of the Corporation delivered to the Funding Lender at least [one (1) Business Day] prior to the Participation Repurchase Date, at or prior to [11:00 a.m.], New York City time, the Funding Lender shall advance to the Fiscal Agent for the account of the Corporation proceeds of the Funding Loan in the amount specified in such Certificate (a “Participation Repurchase Amount”); provided, however, that the Funding Lender shall not be obligated to make an advance pursuant to this paragraph to the extent that the amount of such advance, together with the aggregate amount theretofore advanced pursuant to this paragraph, would exceed the aggregate amount of Tranche C Participation Purchase Payments theretofore

made by the Funding Lender. The Fiscal Agent shall deposit such proceeds upon receipt in the Funding Loan Proceeds Account and shall not advance such proceeds to the Borrower. The Fiscal Agent on behalf of the Corporation shall, not later than [5:00 pm], New York City time, on the Participation Repurchase Date, from the Funding Loan Proceeds Account, pay the Participation Repurchase Amount to the Funding Lender on behalf of the Corporation as the Repurchase Price of an equal amount of the Participation, and upon such payment the amount of the Participation will be decreased as provided in Section 2.1(g) hereof by such amount.

(vi) Any amounts (A) held by the Fiscal Agent in the Funding Loan Proceeds Account, other than [the proceeds of the Initial Draw and] amounts held after a Contingency Draw-Down made pursuant to Section 7.10 hereof, or held by the Fiscal Agent in the Participation Proceeds Account, and (B) not advanced, shall not be invested.

(vii) Amounts funded as provided in the foregoing paragraphs of this Section ___ shall be recorded by the Fiscal Agent in the recordkeeping system maintained by the Fiscal Agent with respect to the Funding Loan and the Participation. [The Initial Draw,] advances of the Funding Loan pursuant to paragraph (iii)(A) above upon their being considered advanced pursuant to paragraph (iv) above, and any advance of the Funding Loan pursuant to a Contingency Draw-Down pursuant to Section 7.10 hereof, shall increase the outstanding amount of the Volume Cap Portion of the Funding Loan, evidenced by the Volume Cap Corporation Obligation. Advances of the Funding Loan pursuant to paragraph (iii)(A) or (iii)(C)(I) above upon their being considered advanced pursuant to paragraph (iv) above, and advances of the Funding Loan pursuant to paragraph (v) above, shall increase the outstanding amount of the Recycling Portion of the Funding Loan, evidenced by the Recycling Corporation Obligation. Notwithstanding anything herein to the contrary, (A) the aggregate principal amount of the Funding Loan advanced by the Funding Lender may not exceed the Authorized Amount, (B) the aggregate principal amount of the Volume Cap Portion of the Funding Loan, evidenced by the Volume Cap Corporation Obligation, advanced by the Funding Lender may not exceed the Authorized Volume Cap Amount, (C) no amount of the Volume Cap Portion of the Funding Loan, evidenced by the Volume Cap Corporation Obligation, may be advanced after the Carryforward End Date unless the Corporation and the Funding Lender have received a Tax Counsel Not Adversely Affect Opinion with respect to such additional funding, (D) no amount of the Recycling Portion of the Funding Loan, evidenced by the Recycling Corporation Obligation, may be advanced unless the conditions in Section ___ hereof are satisfied with respect to such advance, and (E) the Funding Lender shall not be obligated to make Participation Purchase Payments hereunder in excess of \$[104,500,000].

(c) *Origination Date; Maturity.* The Funding Loan shall be originated on the Closing Date. The Recycling Portion of the Funding Loan and the Volume Cap Portion of the Funding Loan shall mature on their respective Maturity Dates, at which time the entire principal amount of the Recycling Portion of the Funding Loan and the Volume Cap Portion of the Funding Loan, respectively, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable.

(d) *Principal.* The outstanding principal amount of the Volume Cap Portion of the Funding Loan, as evidenced by the Volume Cap Corporation Obligation, as of any given date shall be the total amount of the Volume Cap Portion of the Funding Loan advanced by the

Funding Lender to the Fiscal Agent for the account of the Corporation pursuant to paragraph (b) of this Section 2.1, determined in accordance with paragraph (b)(viii) of this Section 2.1, less any payments of principal of the Volume Cap Portion of the Corporation Obligation previously received by the Fiscal Agent, less the principal portion of the Purchase Price of the Volume Cap Portion of the Funding Loan paid, or deemed paid, by the Funding Lender upon the occurrence of a Mortgage Assignment Event pursuant to Section 9.2 hereof.

The outstanding principal amount of the Recycling Portion of the Funding Loan, as evidenced by the Recycling Corporation Obligation, as of any given date shall be the total amount of the Recycling Portion of the Funding Loan advanced by the Funding Lender to the Fiscal Agent for the account of the Corporation pursuant to paragraph (b) of this Section 2.1, determined in accordance with paragraph (b)(viii) of this Section 2.1, less any payments of principal of the Recycling Portion of the Corporation Obligation previously received by the Fiscal Agent, less the principal portion of the Purchase Price of the Recycling Portion of the Funding Loan paid, or deemed paid, by the Funding Lender upon the occurrence of a Mortgage Assignment Event pursuant to Section 9.2 hereof.

The Fiscal Agent shall keep a record of all principal advances and principal repayments made of the Funding Loan and shall, upon receipt of any advance pursuant to paragraph (b) of this Section 2.1 and upon receipt of any payment or prepayment pursuant to paragraph (f) of this Section 2.1, provide the Corporation with notice thereof together with a statement of the outstanding principal balance of each Corporation Obligation.

(e) *Interest.* Interest shall accrue and be paid on the outstanding principal amount of the Corporation Obligations (i) from the Closing Date to but not including the Permanent Conversion Date, at the rate set forth in the Borrower Note (less the Administrative Fee), and (ii) from and after the Permanent Conversion Date, at the rate of ____% per annum; provided, however, that such rate shall not exceed the Maximum Rate.

(f) *Corresponding Payments.* (i) From the Closing Date to but not including the Permanent Conversion Date, the payment or, subject to the provisions of Section 3.1 and Section 3.2 hereof, the prepayment of principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by the Corporation Obligations, shall be identical with and shall be made on the same dates, in the same amounts (*except* to the extent allocated to the Participation pursuant to paragraph (g) of this Section 2.1) and on the same terms and conditions, as the payment of principal, interest, premium, if any, fees, charges and other amounts due on the Borrower Loan (less the Administrative Fee) as set forth in the Borrower Note. Notwithstanding the foregoing, (x) upon receipt by the Fiscal Agent of a payment on the Borrower Note on any day, the Fiscal Agent shall (*except* to the extent allocated to the Participation pursuant to paragraph (g) of this Section 2.1) forward the corresponding payment to the Funding Lender (less the Administrative Fee) no later than 2:00 p.m., New York City time, on the following Business Day, and (y) the Corporation shall not be in default of its obligations under this Funding Loan Agreement and the Corporation Obligations for any failure to pay principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by the Corporation Obligations, as a result of a default by the Borrower of its payment obligations under the Borrower Note (regardless of whether such default constitutes a Mortgage Assignment Event), but interest shall continue to accrue (but not in excess of the Maximum Rate) on the

Corporation Obligations and on any scheduled interest on the Corporation Obligations that is not paid as a result of the foregoing provision, as well as on any other amounts due on the Corporation Obligations and not paid when due, at the then applicable interest rate on the Corporation Obligations until the earlier of (i) the time that such interest is paid and (ii) the occurrence of a Mortgage Assignment Event. Any payment or prepayment of the Borrower Loan shall (*except* to the extent allocated to the Participation pursuant to paragraph (g) of this Section 2.1) constitute a corresponding payment or prepayment of the Funding Loan, as evidenced by the Corporation Obligations, in accordance with this subsection (f)(i), and shall be allocated between the Corporation Obligations as provided in Section 3.1(c) below. The Corporation Obligations shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(ii) From and after the Permanent Conversion Date, (A) the payment or, subject to the provisions of Section 3.1 and Section 3.2 hereof, the prepayment of principal due on the Funding Loan, as evidenced by the Corporation Obligation, shall be identical with and shall be made in the same amounts (*except* to the extent allocated to the Participation pursuant to paragraph (g) of this Section 2.1) and on the same terms and conditions, as the payment of principal due on the Borrower Loan as set forth in the Borrower Note, and (B) interest on the Funding Loan shall be paid at the rate set forth in paragraph (e) of this Section 2.1. Notwithstanding the foregoing, (x) the Fiscal Agent shall forward the corresponding payment, as described in clauses (A) and (B) above, to the Funding Lender, (I) if such payment is received by the Fiscal Agent by the second calendar day of the month, no later than the seventh calendar day of the month (or, if such day is not a Business Day, the next succeeding Business Day), or (II) if such payment is not received by the Fiscal Agent by the second calendar day of the month, no later than the 22nd calendar day of the month (or, if such day is not a Business Day, the next succeeding Business Day). Any payment or prepayment of the Borrower Loan shall (*except* to the extent allocated to the Participation pursuant to paragraph (g) of this Section 2.1) constitute a corresponding payment or prepayment of the Funding Loan, as evidenced by the Corporation Obligation, in accordance with this subsection (f)(ii), and the outstanding principal amount of the Corporation Obligation shall be reduced by an amount equal to such payment or prepayment. The Corporation Obligation shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(g) *Purchase and Sale of Participation; Payments to Funding Lender.* (i) The Corporation hereby sells, conveys, transfers, assigns and grants to the Funding Lender, and the Funding Lender hereby purchases, acquires, takes and assumes from the Corporation, on the terms and conditions set forth in this Funding Loan Agreement, an undivided participation (the "Participation") in Tranche B and Tranche C of the Borrower Loan equal to the percentage determined as follows (the "Participation Percentage") of the principal of, and interest (excluding the Administrative Fee), premium, if any, fees, charges and other amounts due on, Tranche B and Tranche C of the Borrower Loan.

(ii) Upon each advance of an amount of principal of Tranche B of the Borrower Loan or Tranche C of the Borrower Loan funded with Participation Purchase Payments, the amount of the Participation in the principal of Tranche B and Tranche C of the Borrower Loan shall be increased by such amount advanced. The amount of the Participation in the principal of Tranche B and Tranche C of the Borrower Loan shall be reduced (A) upon receipt by the Funding Lender of a

payment or prepayment of principal of Tranche B or Tranche C of Borrower Loan that is allocated to the Participation pursuant to this Section 2.1(g)(ii), by the amount so received, and (B) upon receipt by the Funding Lender of the Repurchase Price of an amount of the Participation, by the amount so received. The Participation Percentage as of any time shall equal (A) the aggregate amount of advances of Tranche B and Tranche C of the Borrower Loan funded with Participation Purchase Payments less reductions in the amount of the Participation pursuant to clauses (A) and (B) of the immediately preceding sentence, divided by (B) the aggregate amount of all advances of Tranche B and Tranche C of the Borrower Loan less all payments or prepayments of the principal of Tranche B and Tranche C of the Borrower Loan.

(iii) Following the Fiscal Agent's receipt any payment of principal of, or interest (excluding the Administrative Fee), premium, if any, fees, charges and other amounts due on, Tranche B or Tranche C of the Borrower Loan, the Fiscal Agent shall forward to the Funding Lender the Participation Percentage of such payment (which as to any payment of interest shall be calculated separately for each portion of the period over which such interest accrued if the Participation Percentage changed during the accrual period), (I) if such payment is received by the Fiscal Agent by the second calendar day of the month, no later than the seventh calendar day of the month (or, if such day is not a Business Day, the next succeeding Business Day), or (II) if such payment is not received by the Fiscal Agent by the second calendar day of the month, no later than the 22nd calendar day of the month (or, if such day is not a Business Day, the next succeeding Business Day).

(iv) [On a Business Day, determined by the Corporation , not later than _____ after Permanent Conversion Date, the Corporation shall repurchase the Participation in full at the Repurchase Price.]

(v) [If the lien of the Borrower Mortgage is foreclosed, the Corporation agrees that the Funding Lender shall retain or be paid, as may be applicable, a percentage, equal to (A) the Participation Percentage of the outstanding principal amount of Tranche B and Tranche C of the Borrower Loan divided by (B) the outstanding principal amount of the entire Borrower Loan, of any amounts received from such foreclosure after all expenses of foreclosure and collection are paid, with amounts received in excess of such expenses to be applied first to principal and then to interest with respect to the Borrower Loan, it being understood that the Tranche A of the Borrower Loan, the portion of Tranche B and Tranche C of the Borrower Loan subject to the Participation, and the portion of Tranche B and Tranche C of the Borrower Loan not subject to the Participation, are co-equal in lien and payment priority [other than as expressly set forth in the Servicing Agreement]. If prior to the repurchase of the Participation in full the Corporation acquires title to the Project by foreclosure or by a deed in lieu of foreclosure or otherwise, that title shall be held, at the Funding Lender's option, either in the Funding Lender's (or its designee's name) or in the Corporation's name or in the name of a nominee acceptable to the Funding Lender for the undivided benefit of the Funding Lender, and the Corporation and the Funding Lender respectively waive any statutory or common law right of partition, or any other similar rights or remedies. In addition, the Funding Lender shall have the right to hold, transfer, convey, finance, manage, lease, sell or dispose of the Project if it prior to the repurchase of the Participation in full the Project is acquired through foreclosure, deed-in-lieu of foreclosure or otherwise without the need for any consent of, or consultation with, the Corporation. Upon request by the Funding Lender at any time, the Corporation shall confirm in writing the

[Corporation's] authority to hold, transfer, convey, finance, manage, lease, sell or dispose of the Project pursuant to this Section. Furthermore, if the Corporation does acquire title to the Project in its name or in the name of a nominee acceptable to the Funding Lender, the Corporation hereby agrees that, prior to the repurchase of the Participation in full, upon the request of the Funding Lender and at the expense of the Funding Lender, the Corporation shall transfer the Project to the Funding Lender or the Funding Lender's designee.]

Section 2.2. Form of Corporation Obligation; Registration; Transfer.

(a) As evidence of its obligation to repay the Funding Loan, the Corporation hereby agrees to execute and deliver to the Funding Lender (i) simultaneously with the delivery of this Funding Loan Agreement, the Volume Cap Corporation Obligation, and (ii) on the date of the first draw of the Recycling Portion of the Funding Loan, the Recycling Corporation Obligation. Each Corporation Obligation, or any interest therein, shall be issued solely in fully-registered form, without coupons, substantially in the form set forth in EXHIBIT A attached hereto, with such necessary and appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement.

(b) The Corporation Obligations shall be negotiable, subject to the provisions for registration, transfer and exchange contained in this Funding Loan Agreement and in the Corporation Obligations. So long as the Corporation Obligations shall remain outstanding, the Corporation shall maintain and keep, at the corporate trust office of the Fiscal Agent, books for the registration, registration of transfer and exchange of Corporation Obligations. Upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered in such books, and permit to be transferred thereon, under such reasonable regulations as it or the Fiscal Agent may prescribe, the Corporation Obligations entitled to registration or registration of transfer. So long as the Corporation Obligations remain outstanding, the Corporation shall make all necessary provisions to permit the exchange of Corporation Obligations at the corporate trust office of the Fiscal Agent.

(c) The Corporation shall not purchase or hold any Corporation Obligation except for the purpose of presenting such Corporation Obligation to the Fiscal Agent for cancellation. Upon termination of this Funding Loan Agreement pursuant to Section 12.2 hereof, all Corporation Obligations shall be cancelled and delivered to the Fiscal Agent. The cancelled Corporation Obligations may, upon direction of the Corporation, be cremated or otherwise destroyed by the Fiscal Agent, and the Fiscal Agent may execute a certificate of cremation or destruction in duplicate, and one executed certificate shall be filed with the Corporation and the other executed certificate shall be retained by the Fiscal Agent.

(d) The Corporation Obligations shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the corporate trust office of the Fiscal Agent, by the registered owner thereof in person or by such person's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Fiscal Agent duly executed by the registered owner or such registered owner's duly authorized attorney. Upon the registration of transfer of any Corporation Obligation, the Corporation shall issue in the name of the transferee a new fully registered Corporation Obligation of the same principal amount and maturity as the surrendered Corporation Obligation.

(e) The Corporation and the Fiscal Agent may deem and treat the person in whose name the Corporation Obligation shall be registered upon the books of the Corporation as the absolute owner of the Corporation Obligations, whether the Corporation Obligations shall be overdue or not, for the purpose of receiving payment of principal, interest and premium, if any, on the Corporation Obligations and for all other purposes and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon the Corporation Obligations to the extent of the sum or sums so paid, and neither the Corporation nor the Fiscal Agent shall be affected by any notice to the contrary.

(f) In all cases in which the privilege of exchanging the Corporation Obligation or transferring the Corporation Obligations is exercised, the Corporation shall execute and the Fiscal Agent shall authenticate and deliver the Corporation Obligations in accordance with the provisions of this Funding Loan Agreement. For every such exchange or transfer of the Corporation Obligations, the Corporation or the Fiscal Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charges required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing the new Corporation Obligations issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Corporation shall not be obliged to make any such exchange or transfer of any Corporation Obligation during the 15 days preceding a date on which interest is to be paid on such Corporation Obligation pursuant to Section 2.1(e) hereof or after notice of prepayment of the Corporation Obligations has been given pursuant to Section 3.3 hereof.

(g) Notwithstanding the foregoing, (i) the provisions of this Section 2.2 shall be subject to the provisions of Section 2.4 hereof, and (ii) the Corporation Obligations shall not be transferred through the services of the Depository Trust Company or any other third party depository.

Section 2.3. Execution and Delivery of Corporation Obligations. The Corporation Obligations shall be executed in the name and on behalf of the Corporation by the manual or facsimile signature of an Authorized Officer of the Corporation and the corporate seal of the Corporation (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of any other Authorized Officer of the Corporation, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any Corporation Obligation shall cease to be such officer or employee before such Corporation Obligation so signed and sealed shall have been actually delivered, such Corporation Obligation may, nevertheless, be delivered as herein provided, as if the person who signed or sealed the Corporation Obligation had not ceased to hold such office or be so employed. The Corporation Obligation may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Corporation Obligation shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of such Corporation Obligation such persons may not have been so authorized or have held such office or employment. Each Corporation Obligation shall bear thereon a certificate of authentication, executed manually by the Fiscal Agent. No Corporation Obligation shall be entitled to any right or benefit under this

Funding Loan Agreement or be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Fiscal Agent. Such certificate of the Fiscal Agent upon any Corporation Obligation executed on behalf of the Corporation shall be conclusive evidence that such Corporation Obligation has been so authenticated and delivered under this Funding Loan Agreement and that the owner thereof is entitled to the benefits hereof.

Section 2.4. Transfer and Participation Restrictions.

(a) The Corporation Obligations may be sold in whole (but not in part) to a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, having capital and surplus of \$5,000,000,000 or more, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, (ii) is authorized to do business in the State, (iii) shall first have delivered to the Corporation a signed Required Transferee Representations in substantially the form attached hereto as EXHIBIT B, (iv) is approved in writing by the Corporation (such approval not to be unreasonably withheld), (v) assumes the obligations of the Funding Lender under this Funding Loan Agreement, (vi) is itself purchasing the Corporation Obligations for its own account and not with a view to the resale or distribution thereof (subject to its right to transfer the Corporation Obligations or sell participations therein as provided in this Section 2.4) and acknowledges that it has conducted its own review of the credit for the Corporation Obligations and further acknowledges that any transfer of the Corporation Obligations or any participations therein will require such assurances from any succeeding purchaser, and (vii) agrees to be bound by the provisions of paragraph (b) of this Section 2.4. Notwithstanding the foregoing, the Corporation Obligations may not be sold to the Borrower, the Guarantor, any affiliate of the Borrower or the Guarantor, or any Tax Credit Investor (as such term is defined in the Regulatory Agreement).

(b) The Funding Lender shall be entitled to sell a participation interest in the Corporation Obligations (a "Funding Loan Participation"), but only to the extent, and subject to, the following conditions:

(i) as among the Corporation, the Fiscal Agent and the Funding Lender, the Funding Lender shall remain 100% liable for its obligations under this Funding Loan Agreement and shall remain the sole registered owner of the Corporation Obligations;

(ii) the Funding Loan Participation must be for both (a) a principal amount of the Corporation Obligations of at least one million dollars (\$1,000,000) and (b) a corresponding portion of the Funding Lender's obligations under this Funding Loan Agreement;

(iii) the entity to which each Funding Loan Participation is sold, including subsequent sales, if any, must be a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, having capital and surplus of \$5,000,000,000 or more, that is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, that is authorized to do business in the State and that shall first have delivered to the Corporation a signed letter in substantially the form attached hereto as EXHIBIT C; and

(iv) the Funding Lender pays to the Corporation, on the date of any sale of a Funding Loan Participation, a fee equal to 0.05% of the principal amount of the Corporation Obligations that are subject to such Funding Loan Participation.

Notwithstanding the forgoing, a Funding Loan Participation may not be sold to the Borrower, the Guarantor, any affiliate of the Borrower or the Guarantor, or any Tax Credit Investor (as such term is defined in the Regulatory Agreement).

(c) The Corporation shall deliver any Required Transferee Representation delivered to it pursuant to paragraph (a) of this Section 2.4 or any letter delivered to it pursuant to paragraph (b) of this Section 2.4 to the Fiscal Agent upon the Corporation's satisfaction that the transfer pursuant to paragraph (a) of this Section 2.4 is in accordance with the provisions of paragraph (a) of this Section 2.4 or that the participation pursuant to paragraph (b) of this Section 2.4 is in accordance with the provisions of paragraph (b) of this Section 2.4, as applicable.

(d) The Funding Lender shall be entitled to may grant one or more sub-participations in the Participation (or any portion thereof) to one or more Institutional without the need for any consent or approval from the Corporation, provided that the Funding Lender gives the Corporation written notice thereof no later than 10 days after the consummation of such sub-participation. For purposes of this provision, the term "Institutional Lender" means any of (i) a commercial bank, trust company, savings and loan association, savings bank, insurance company, investment bank or pension fund organized under the laws of the United States, or any state thereof or the District of Columbia, and having total assets in excess of \$5,000,000,000; (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Development and Cooperation, or a political subdivision of any such country and having total assets in excess of \$10,000,000,000, provided that such bank is acting through a branch or agency located in the United States of America or (iii) an entity formed for the purposes of providing commercial mortgage loans such as The Community Development Trust, the Community Preservation Corporation and/or the Low Income Investment Fund; provided that, any assignee satisfying the requirements set forth in clauses (i), (ii) or (iii) above shall also be regularly engaged in the business of making or owning commercial real estate loans or operating commercial mortgage properties.

Section 2.5. No Rating. The parties agree that no rating shall be sought from any rating agency with respect to the Funding Loan or any Corporation Obligation.

ARTICLE III

PREPAYMENT

Section 3.1. Prepayment of the Corporation Obligations.

(a) The Funding Loan, as evidenced by the Corporation Obligations, shall be subject to voluntary prepayment, in whole or in part, to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest on the Borrower Note to the date of prepayment, plus any other amounts paid under the Borrower Note or the Borrower Loan Agreement in connection with such prepayment (such Funding Loan prepayment

and price excluding, in each case, any portion of such prepaid principal, such interest and such other amounts allocated to the Participation pursuant to Section 2.1(g) hereof).

Except as specifically permitted in the Borrower Note and the Borrower Mortgage, the Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Corporation Obligations to be prepaid (subject to Section 2.1(g) hereof), without the prior written consent of the Funding Lender and the Corporation, which may be withheld in the Funding Lender's sole and absolute discretion.

(b) The Funding Loan, as evidenced by the Corporation Obligations, shall be subject to mandatory prepayment, in part, upon receipt by the Fiscal Agent of the Mandatory Prepayment, in full, in accordance with the terms of the Borrower Note, at a prepayment price equal to (i) the principal balance of the Borrower Note prepaid, plus (ii) accrued interest on the Borrower Note to the date of prepayment, plus (iii) any other amounts paid under the Borrower Note or the Borrower Loan Agreement in connection with the Mandatory Prepayment.

Notwithstanding anything to the contrary contained in the Corporation Obligation, this Funding Loan Agreement or any other Funding Loan Document, any payment due from the Corporation to the Funding Lender as a result of the receipt by the Fiscal Agent of the Mandatory Prepayment shall be paid on the Corporation Obligations at the direction of the Corporation no later than the first to occur of (i) the date that is 45 days after the date on which the Mandatory Prepayment is received by the Fiscal Agent and (ii) a Mortgage Assignment Event.

(c) Any reduction in the outstanding principal amount of the Funding Loan pursuant to Section 2.1(f)(i), Section 2.1(f)(ii), paragraph (a) of this Section 3.1, paragraph (b) of this Section 3.1 or Section 3.2(a) shall be allocated between the Volume Cap Portion of the Funding Loan (thus reducing the outstanding principal amount of the Volume Cap Corporation Obligation) and the Recycling Portion of the Funding Loan (thus reducing the outstanding principal amount of the Recycling Corporation Obligation) as directed in a Certificate of an Authorized Officer of the Corporation delivered to the Fiscal Agent on or prior to the date of such payment or prepayment of the principal of the Funding Loan and, in the absence of such direction, shall be allocated: (i) prior to the later of the issuance of a temporary certificate of occupancy and the first unit in the Project being leased and occupied, first to the Recycling Portion of the Funding Loan and then to the Volume Cap Portion of the Funding Loan, (ii) after the later of the issuance of a temporary certificate of occupancy and the first unit in the Project being leased and occupied but on or before the fourth anniversary of the Closing Date, first to the Volume Cap Portion of the Funding Loan and then to the Recycling Portion of the Funding Loan and (iii) after the fourth anniversary of the Closing Date, first to the Recycling Portion of the Funding Loan and then to the Volume Cap Portion of the Funding Loan.

Section 3.2. Prepayment by Corporation.

(a) The Funding Loan, as evidenced by the Corporation Obligation, shall be subject to voluntary prepayment, in whole or in part, by the Corporation, at any time, from any funds of the Corporation, including, but not limited to, amounts received by the Corporation under the Borrower Note as described in Section 3.1(a) hereof or from the proceeds of bonds, notes or

other obligations of the Corporation, at a prepayment price equal to the principal balance of the Funding Loan prepaid, plus interest on the Funding Loan to the date of prepayment; provided, however, that prior to the Permanent Conversion Date, the Corporation may prepay all or a portion of the Funding Loan, as evidenced by the Corporation Obligation, pursuant to this Section 3.2, but only with the written consent of the Funding Lender; provided further, however, that the consent of the Funding Lender shall not be required if (i) the Servicer has been grossly negligent or fraudulent in the performance of its servicing responsibilities under the Servicing Agreement or (ii) the Servicer shall be adjudged bankrupt or insolvent by a court of competent jurisdiction, or an order shall be made by a court of competent jurisdiction for the appointment of a receiver, liquidator or trustee of the Servicer or of all or substantially all of its property or (iii) an order approving any petition filed against the Servicer for its reorganization shall remain in force or unstayed for a period of 90 days or (iv) the Servicer shall institute proceedings for voluntary bankruptcy, or shall file a petition seeking reorganization under the Federal Bankruptcy Laws (as such term is defined in the Servicing Agreement) or for relief under any laws for the relief of debtors, or shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, or (v) any rating assigned to the long-term senior debt of the Funding Lender by Standard & Poor's Ratings Services is reduced below the level of "BBB-" or any rating assigned to the long-term senior debt of the Funding Lender by Moody's Investors Services, Inc. is reduced below the level of "Baa3" (or, in either case, if the long-term senior debt is not rated, the long-term bank deposit rating) or (vi) the Funding Lender fails to fund the balance of the Volume Cap Portion of the Funding Loan for deposit into the Funding Loan Proceeds Account on or prior to the Carryforward End Date.

(b) The Corporation shall prepay the Funding Loan in full no later than the date of the quarterly issuance by the Corporation of its Multi-Family Housing Revenue Bonds that occurs at least 45 days following the Permanent Conversion Date; provided, however, that the Corporation shall have no such obligation to prepay the Funding Loan in full on such date unless Citibank, N.A. shall have concurrently therewith purchased Multi-Family Housing Revenue Bonds of the Corporation pursuant to the Forward Bond Purchase Agreement, dated December __, 2018, between the Corporation and Citibank, N.A.

Section 3.3. Notice of Prepayment. Notice of prepayment of the Funding Loan pursuant to Section 3.1 hereof shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to the Funding Lender and the Corporation in accordance with the terms of the Borrower Loan Documents, and no separate notice of prepayment of the Funding Loan is required to be given. Notice of prepayment of the Funding Loan pursuant to Section 3.2(a) hereof shall be given in writing by the Corporation to the Fiscal Agent and the Funding Lender not less than 15 days prior to the date of such prepayment. No notice of prepayment of the Funding Loan pursuant to Section 3.2(b) hereof shall be given prior to the date of such prepayment.

ARTICLE IV

SECURITY

Section 4.1. Security.

(a) This Funding Loan Agreement creates a continuing pledge and lien on the Pledged Revenues and assets pledged hereunder to secure the full and final payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Corporation Obligations. The Corporation Obligations shall be special revenue obligations of the Corporation payable solely from the Pledged Revenues and assets pledged therefor pursuant to this Funding Loan Agreement. The Corporation Obligations shall contain on its face a statement that the Corporation Obligations shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Corporation Obligations be payable out of any funds of the Corporation other than those of the Corporation pledged therefor.

(b) The Pledged Revenues and all amounts held in any funds and accounts (other than the Participation Proceeds Account) established under this Funding Loan Agreement, including investments thereof, are hereby pledged to the Fiscal Agent for the benefit of the Funding Lender to secure the payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Corporation Obligations, all in accordance with its terms and the provisions of this Funding Loan Agreement, subject only to the provisions of this Funding Loan Agreement permitting the use and application thereof for or to the purposes and on the terms and conditions set forth herein. The foregoing pledge does not include amounts on deposit or required to be deposited in the Rebate Fund. To the fullest extent provided by the Act and other applicable laws, the money and property hereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

(c) To secure the payment of principal, interest and premium, if any, due on the Funding Loan as evidenced by the Corporation Obligations, the Corporation does hereby pledge to the Fiscal Agent, for the benefit of the Funding Lender, all of its right, title and interest in and to the Borrower Loan and the Retained Portion of the Borrower Loan Documents, including but not limited to all rights to receive payments on the Borrower Note (other than the Administrative Fee), including all proceeds of insurance or condemnation awards, all subject to Section 2.1(g) hereof, which pledge shall be valid and binding from and after the effective date of this Funding Loan Agreement. To the fullest extent provided by the Act and other applicable laws, the revenues and property hereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

ARTICLE V

LIMITED LIABILITY

Section 5.1. Obligation of the Corporation with respect to the Funding Loan. The Corporation Obligations shall be special revenue obligations of the Corporation payable solely from the Pledged Revenues and assets pledged therefor pursuant to this Funding Loan Agreement. The Corporation Obligations shall not be a debt of either the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the Corporation Obligations be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

Section 5.2. No Recourse under this Funding Loan Agreement or the Corporation Obligations. All covenants, stipulations, promises, agreements and obligations of the Corporation contained in this Funding Loan Agreement and the Corporation Obligations shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any member, officer or employee of the Corporation in such member's, officer's or employee's individual capacity, and no recourse shall be had for the payment of principal, interest and premium, if any, on the Corporation Obligations or for any claim based thereon or on this Funding Loan Agreement against any member, officer or employee of the Corporation or any natural person executing this Funding Loan Agreement or the Corporation Obligations.

ARTICLE VI

CLOSING CONDITIONS

Section 6.1. Conditions Precedent to Closing. Closing of the Funding Loan on the Closing Date shall be conditioned upon the satisfaction or waiver by the Funding Lender of those items that are conditions precedent of the Funding Lender and the satisfaction or waiver by the Corporation of those items that are conditions precedent of the Corporation, as the case may be, including, but not limited to, the following:

- (a) Receipt by the Funding Lender of the original of the Volume Cap Corporation Obligation executed by the Corporation and authenticated by the Fiscal Agent;
- (b) Receipt by the Corporation and the Funding Lender of executed counterparts of this Funding Loan Agreement, the Borrower Loan Documents, the Regulatory Agreement and the Tax Certificate;
- (c) Receipt by the Funding Lender of a certified copy of the Resolution;
- (d) Delivery into escrow of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan;
- (e) Receipt by the Corporation of a Tax Counsel Approving Opinion substantially in the form attached hereto as EXHIBIT G-1, together with a letter, dated as of the Closing Date, from Tax Counsel addressed to the Funding Lender and the Fiscal Agent stating that the Funding

Lender and the Fiscal Agent may rely on such opinion as though it was addressed to the Funding Lender and the Fiscal Agent;

(f) Receipt by the Corporation and the Funding Lender of an Opinion of Counsel from Tax Counsel substantially in the form attached hereto as EXHIBIT G-2;

(g) Receipt by the Funding Lender of an opinion, dated as of the Closing Date, of the General Counsel of the Corporation, in form and substance acceptable to the Funding Lender;

(h) Receipt by the Corporation of an opinion, dated as of the Closing Date, of Sidley Austin LLP, New York, New York, special counsel to the Funding Lender, in form and substance acceptable to the Corporation;

(i) Receipt by the Corporation and the Funding Lender of an opinion, dated as of the Closing Date, of counsel to the Fiscal Agent, in form and substance acceptable to the Corporation and the Funding Lender;

(j) Receipt by the Corporation and the Funding Lender of an opinion, dated as of the Closing Date, of counsel or counsels to the Borrower and the Guarantor, in form and substance acceptable to the Corporation and the Funding Lender;

(k) Receipt by the Corporation and the Funding Lender of evidence of (a) the approval of the terms of the Funding Loan, as evidenced by the Corporation Obligations, by the Comptroller of The City of New York and (b) the approval of the Mayor with respect to the Corporation Obligations pursuant to Section 147(f) of the Code;

(l) Receipt by the Corporation, contemporaneously with the delivery of the Volume Cap Corporation Obligation, of a receipt for the Volume Cap Corporation Obligation delivered by the Funding Lender, in form satisfactory to Tax Counsel;

(m) Receipt by the Corporation and the Funding Lender of an executed counterpart of the Letter of Representation and Indemnity Agreement of the Borrower and the Guarantor, dated the Closing Date, in substantially the form attached hereto as EXHIBIT F (the "Letter of Representation and Indemnity Agreement"); and

(n) Receipt by the Funding Lender, the Corporation and Tax Counsel of any other documents or opinions that the Funding Lender, the Corporation or Tax Counsel may require.

Section 6.2. Conditions Precedent to Draws of Recycling Portion of the Funding Loan. The Funding Lender's advance to the Fiscal Agent of any amount of the Recycling Portion of the Funding Loan ("Recycling Draw Amount") on any date (a "Recycling Draw Date") shall be subject to the following conditions precedent:

(a) In the case of the first Recycling Draw Date only, receipt by the Funding Lender of the original of the Volume Cap Corporation Obligation executed by the Corporation and authenticated by the Fiscal Agent;

(b) Receipt by the Corporation of a Tax Counsel Approving Opinion substantially in the form attached hereto as EXHIBIT G-3 dated the Recycling Draw Date and referencing the Recycling Draw Amount, together with a letter, dated as of the Closing Date, from Tax Counsel addressed to the Funding Lender and the Fiscal Agent stating that the Funding Lender and the Fiscal Agent may rely on such opinion as though it was addressed to the Funding Lender and the Fiscal Agent;

(c) Receipt by the Corporation and the Funding Lender of an Opinion of Counsel from Tax Counsel substantially in the form attached hereto as EXHIBIT G-4 dated the Recycling Draw Date and referencing the Recycling Draw Amount;

(d) In the case of any Recycling Draw Date more than one year later than the approval delivered pursuant to Section 6.1(k) hereof, receipt by the Corporation and the Funding Lender of evidence of the approval of the Mayor with respect to the Corporation Obligations pursuant to Section 147(f) of the Code;

(e) In the case of the first Recycling Draw Date only, receipt by the Corporation, contemporaneously with the delivery of the Volume Cap Corporation Obligation, of a receipt for the Volume Cap Corporation Obligation delivered by the Funding Lender, in form satisfactory to Tax Counsel; and

(f) Receipt by the Funding Lender, the Corporation and Tax Counsel of any other documents or opinions that the Funding Lender, the Corporation or Tax Counsel may require.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.1. Establishment of Funds. (a) There are established with the Fiscal Agent the following funds and accounts:

- (1) The Funding Loan Proceeds Account;
- (2) The Participation Proceeds Account
- (3) The Revenue Account;
- (4) The Rebate Fund; and
- (5) The Negative Arbitrage Account.

(b) All such funds and accounts shall be held and maintained by the Fiscal Agent and shall be identified by the Corporation and the Fiscal Agent according to the designations herein provided in such manner as to distinguish such funds and accounts from the funds and accounts established by the Corporation for any other of its obligations. All moneys or securities held by

the Fiscal Agent pursuant to this Funding Loan Agreement shall be held in trust and applied only in accordance with the provisions of this Funding Loan Agreement and the Act.

(c) Earnings on all funds and accounts required to be deposited into the Rebate Fund, if any, shall be deposited, at least as frequently as the end of each fifth Loan Year and at the time that the obligations of the Corporation evidenced by the Corporation Obligations is discharged, into the Rebate Fund, and earnings on all funds and accounts not required to be deposited into the Rebate Fund, except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Investment Security, which shall be retained in the particular fund or account for which the Investment Security was purchased, shall be deposited, as realized, into the Revenue Account.

(d) All moneys, including earnings on amounts deposited therein, deposited or to be deposited in the Rebate Fund shall be held in trust and applied only in accordance with the provisions of this Funding Loan Agreement and the Act and shall not be pledged to secure any obligations under this Funding Loan Agreement.

Section 7.2. Deposits. (a) In order to permit amounts held by the Fiscal Agent under this Funding Loan Agreement to be available for use at the time when needed, any such amounts may, if and as directed in writing by the Corporation, be deposited in the corporate trust department of the Fiscal Agent which may honor checks and drafts on such deposit with the same force and effect as if it were not the Fiscal Agent. The Fiscal Agent shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All amounts deposited by the Fiscal Agent pursuant to paragraph (a) above shall be continuously and fully secured (i) by lodging with the Fiscal Agent as custodian, as collateral security, Investment Securities having a market value (exclusive of accrued interest) not less than the amount of such deposit, and (ii) in such other manner as may then be required by applicable Federal or state laws and regulations regarding security for the deposit of public funds. It shall not be necessary, unless required by applicable law, for the Fiscal Agent to give security under this Section 7.2 for the deposit of any amounts to the extent that such deposit is insured by the Federal Deposit Insurance Corporation, or its successor, or which are held in trust and set aside by the Fiscal Agent for the payment of the obligations of the Corporation evidenced by the Corporation Obligations, or for the Fiscal Agent to give security for any moneys which shall be represented by obligations or certificates of deposit (of issuers other than the Fiscal Agent) purchased as an investment of such moneys.

(c) All amounts so deposited by the Fiscal Agent shall be credited to the particular fund or account from which such amounts were derived.

Section 7.3. Investment of Certain Funds. (a) Subject to the right of the Corporation to direct the investment or deposit of funds hereunder, moneys in any fund or account shall be continuously invested and reinvested or deposited and redeposited, at the written direction of the Corporation, by the Fiscal Agent in the highest yield Investment Securities that may be reasonably known to the Fiscal Agent, or deposited and redeposited as provided in Section 7.2 hereof, with a view toward maximizing yield (with proper preservation of principal) and

minimizing the instances of uninvested funds. The Corporation shall consult with the Fiscal Agent from time to time as to the investment of amounts in the funds and accounts established or confirmed by this Funding Loan Agreement. The Corporation shall (except as provided below) direct the Fiscal Agent in writing to invest and reinvest the moneys in any fund or account in Investment Securities so that the maturity date or date of redemption at the option of the owner thereof shall coincide as nearly as practicable with (but in no event later than) the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Fiscal Agent, or for its account as Fiscal Agent, and shall be deemed at all times to be part of such fund or account, and the Fiscal Agent shall keep the Corporation advised as to the details of all such investments.

(b) Investment Securities purchased as an investment of moneys in any fund or account held by the Fiscal Agent under the provisions of this Funding Loan Agreement shall be deemed at all times to be a part of such fund or account but the income or interest earned and gains realized in excess of losses suffered by an fund or account due to the investment thereof shall be deposited, as realized, in the Revenue Account or shall be credited as Pledged Revenues to the Revenue Account from time to time and reinvested, except as otherwise provided in Section 7.1(c) hereof and except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Investment Security, which shall be retained in the particular fund or account for which the Investment Security was purchased.

(c) To the extent permitted by law, the Fiscal Agent may commingle any amounts on deposit in the funds and accounts held under this Funding Loan Agreement for the purpose of purchasing Investment Securities. However, the Fiscal Agent shall maintain and keep separate accounts of such funds and accounts at all times.

(d) The Fiscal Agent shall, at the written direction of the Corporation, sell at the best price obtainable, or present for redemption or exchange, any Investment Security purchased by it pursuant to this Funding Loan Agreement whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Fiscal Agent shall advise the Corporation in writing, on or before the twentieth day of each calendar month, of all investments held for the credit of each fund or account in its custody under the provisions of this Funding Loan Agreement as of the end of the preceding month.

(e) Upon receipt of written instructions from an Authorized Officer of the Corporation, the Fiscal Agent shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to this Funding Loan Agreement for any other coin or currency of the United States of America or Investment Securities of like amount.

Section 7.4. Valuation and Sale of Investments. (a) In computing the amount in any fund or account, obligations purchased as an investment of moneys therein shall be valued at amortized value or if purchased at par, at par.

(b) Except as otherwise provided herein, the Fiscal Agent shall sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be requested in writing by an Authorized Officer of the Corporation to do so or whenever it shall be necessary in

order to provide moneys to meet any payment or transfer from any fund or account held by it. An Investment Security may be credited on a pro rata basis to more than one fund or account and need not be sold in order to provide for the transfer of amounts from one fund or account to another.

Section 7.5. Funding Loan Proceeds Account.

(a) All proceeds of the Funding Loan advanced by the Funding Lender from time to time shall be deposited to the Funding Loan Proceeds Account and disbursed as provided herein and in the Servicing Agreement and the Borrower Loan Agreement. There shall also be deposited in the Funding Loan Proceeds Account any other amounts determined by the Corporation to be deposited therein from time to time.

(b) Subject to Section 2.1(b)(v) hereof, amounts in the Funding Loan Proceeds Account shall be expended only (i) to finance the Borrower Loan (including Closing Costs), in accordance with Section 7.6 hereof and (ii) to make transfers to the Revenue Account in accordance with paragraph (d) of this Section 7.5.

(c) Subject to Section 2.1(b)(v) hereof, the Fiscal Agent shall pay out and permit the withdrawal of amounts on deposit in the Funding Loan Proceeds Account at any time for the purpose of making payments pursuant to clause (i) of paragraph (b) of this Section 7.5, but only upon receipt of:

(1) a written requisition, executed by an Authorized Officer of the Borrower pursuant to the Servicing Agreement and the Borrower Loan Agreement, setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Corporation) and, in reasonable detail, the purpose of such withdrawal;

(2) a Certificate of the Servicer (which may be a Certificate of the Servicer delivered pursuant to the Servicing Agreement) approving such requisition, which shall constitute evidence that (i) the amount to be withdrawn from the Funding Loan Proceeds Account pursuant to such requisition is a proper charge thereon, (ii) the Borrower Loan complies with the provisions of this Funding Loan Agreement, (iii) the amount of all payments theretofore or thereupon made by the Corporation for financing the Borrower Loan does not exceed the amount of the Borrower Loan and (iv) the Servicer has not sent a notice of a default after the expiration of any applicable notice and/or cure periods under the Borrower Loan Documents;

(3) a Certificate of an Authorized Officer of the Borrower (which may be the requisition described in item (1) above) that neither the amount of the requisition nor the application of the amounts so requisitioned will jeopardize the ability of the Borrower to deliver the Certificates required by Sections 7.6(5) and (6) hereof; and

(4) a Certificate of an Authorized Officer of the Borrower (which may be the requisition described in item (1) above) that, as of the date of such Certificate, (i) the Borrower has not been advised that the Tax Counsel Approving Opinion may no longer be relied upon, (ii) to the knowledge of the Borrower, there has been no adverse change

in pertinent existing law or regulations or interpretations thereof, including, but not limited to, regulations, rulings and interpretations of the Internal Revenue Service, subsequent to the date of issuance of the Tax Counsel Approving Opinion, (iii) the representations, covenants, certifications and statements contained in the Borrower Tax Certification are true and accurate and are being complied with, and (iv) to the knowledge of the Borrower, no litigation is pending affecting the issuance, legality or validity of the Corporation Obligations or the exclusion of interest on the Corporation Obligations from gross income for Federal income tax purposes.

(d) At any time and upon three (3) days' prior written notice to the Funding Lender, the Corporation may direct the Fiscal Agent in writing to transfer moneys in the Funding Loan Proceeds Account not required for the financing of the Borrower Loan to the Revenue Account to apply such moneys directly to the payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and the Corporation Obligation, whereupon the Fiscal Agent shall comply with such direction of the Corporation.

(e) Immediately prior to any prepayment of the Funding Loan in whole (but not in part) pursuant hereto, any amounts then remaining in the Funding Loan Proceeds Account shall, at the written direction of the Corporation, be transferred to the Revenue Account to be applied to the prepayment of the Funding Loan pursuant hereto.

Section 7.6. Financing of the Borrower Loan; Conditions Precedent. Amounts in the Funding Loan Proceeds Account shall not be disbursed for financing the Borrower Loan, including either advances during construction or permanent financing thereof, as applicable, unless:

(1) prior to the payment of the first requisition of amounts on deposit in the Funding Loan Proceeds Account, the Borrower Loan Documents shall have been duly executed and delivered, and, in the opinion of counsel, who may be counsel to the Borrower, constitute valid and binding agreements between the parties thereto enforceable in accordance with their terms, except as such enforcement may be limited by operation of bankruptcy, insolvency or similar laws affecting the rights and remedies of creditors;

(2) prior to the payment of the first requisition of amounts on deposit in the Funding Loan Proceeds Account, there shall have been filed with the Fiscal Agent, an opinion of counsel, who may be counsel to the Corporation, to the effect that the Borrower Loan complies with all provisions of the Act and this Funding Loan Agreement;

(3) prior to the payment of any requisition of amounts on deposit in the Funding Loan Proceeds Account, the Borrower 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 Borrower Loan, issued by a company or companies satisfactory to the Corporation, insuring in favor of the Corporation, a first mortgage lien, subject only to Permitted Encumbrances, on the real property securing the Borrower Loan;

(4) prior to the payment of the first requisition of amounts on deposit in the Funding Loan Proceeds Account, the Project is insured against loss by fire and other hazards as required by the Corporation; such insurance shall be in an amount necessary to prevent the Corporation from becoming a co-insurer and in any event in an amount at least equal to the lesser of (i) 80% of the insurable value of the Project or (ii) the unpaid principal balance of the Borrower Loan. Such policy shall be endorsed with the standard mortgage clause with loss payable to the Corporation;

(5) prior to the payment of the requisition of any portion of the final 10% of amounts deposited in the Funding Loan Proceeds Account, the Corporation and Tax Counsel have received, a Certificate of an Authorized Officer of the Borrower satisfactory to them that (i) the Borrower has complied with the Borrower Tax Certification delivered on or prior to the Closing Date, and (ii) the Borrower will be able to deliver or cause delivery of the Accountant's and Architect's Certificate for Final Draw-Down of Funds and the Developer's Certificate as to Use of Loan Proceeds (each as set forth in the Borrower Tax Certification) at the time of final draw-down in form and substance substantially the same as the certificates specified in the Borrower Tax Certification and delivered on or prior to the Closing Date; and

(6) prior to the payment of the final requisition of amounts on deposit in the Funding Loan Proceeds Account, and provided that the Funding Loan has been advanced in full, the Corporation and Tax Counsel have received, the Accountant's and Architect's Certificate for Final Draw-Down of Funds and the Developer's Certificate as to Use of Loan Proceeds (each as set forth in the Borrower Tax Certification) in form and substance satisfactory to the Corporation and Tax Counsel.

Section 7.7. Maintenance of Escrows. (a) All amounts, if any, received by the Corporation or the Servicer of the Borrower Loan as Escrow Payments shall be deposited as promptly as possible in escrow accounts maintained by the Servicer. Amounts in such escrow accounts, or in any sub-account therein, shall be within the control of the Servicer, and may, but need not, be held by the Fiscal Agent. Such amounts may be set aside and held with any similar funds similarly held and may be applied to any lawful purpose of the Servicer, subject to the terms of the Borrower Loan with respect to which such amounts were received and of any agreement between the Corporation and the Borrower relating to the Borrower Loan. All Escrow Payments and all Pledged Revenues and other payments received and held by a depository with respect to the Borrower Loan shall be separately identified.

(b) Upon the happening of a Mortgage Assignment Event, the Corporation shall take any and all steps necessary in order to effectuate the assignment of all the Corporation's right, title and interest in and to the Escrow Payments to the Funding Lender.

Section 7.8. Revenue Account. (a) Subject to Section 2.1(g) hereof, the Fiscal Agent shall deposit into the Revenue Account any amounts received from the Borrower, the Servicer or the Corporation as payments of principal, interest or premium, if any, on the Borrower Loan and any other amounts received by the Fiscal Agent that are subject to the lien and pledge of this Funding Loan Agreement. There shall also be deposited in the Revenue Account any other amounts determined by the Corporation to be deposited therein from time to time.

(b) The Fiscal Agent shall apply all amounts on deposit in the Revenue Account in the following order of priority:

- (1) first, to pay or provide for the payment of the Administrative Fee;
- (2) second, to pay or provide for the payment of the interest then due on the Funding Loan;
- (3) third, to pay or provide for the payment or the prepayment of principal on the Funding Loan, provided moneys have been transferred or deposited into the Revenue Account for such purpose; and
- (4) fourth, to pay or provide for the payment of the Recycling Portion of the Funding Loan and the Volume Cap Portion of the Funding Loan on their respective Maturity Dates.

Section 7.9. Rebate Fund. (a) 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 Fiscal Agent or the Funding Lender or any other person other than as set forth herein.

(b) The Fiscal Agent, upon the concurrent receipt of (i) a certification from an Authorized Officer of the Corporation of the amount, if any, required to be deposited in the Rebate Fund in order to comply with the covenants contained in Section 8.6 hereof (the "Rebate Amount"), and (ii) moneys in an amount equal to the Rebate Amount, shall deposit in the Rebate Fund at least as frequently as the end of each fifth Loan Year and at the time that the obligations of the Corporation evidenced by the Corporation Obligations is discharged, each such amount delivered to the Fiscal Agent for deposit thereto.

(c) Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the funds and accounts established under this Funding Loan Agreement, except as otherwise specified by an Authorized Officer of the Corporation to the extent necessary to comply with the covenants contained in Section 8.6 hereof, 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.

(d) 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 Fiscal Agent, 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.

(e) The Fiscal Agent, 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 years after the Closing Date, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount as of the date of such payment, and (ii) not later than 60 days after the earlier of the latest Maturity Date and the date

on which the obligations of the Corporation evidenced by the Corporation Obligation is discharged, 100% of the Rebate Amount as of the date of payment.

Section 7.10. Negative Arbitrage Account; Contingency Draw-Down.

(a) There shall be deposited in the Negative Arbitrage Account from time to time any amounts required to be deposited therein by the Borrower pursuant to the Borrower Loan Agreement. Subject to the provisions of Section 4.1 and Section 7.3 hereof, the monies deposited to the credit of the Negative Arbitrage Account pursuant to Section 11.37 of the Borrower Loan Agreement, including all obligations held as investments thereof and the proceeds of such investments, shall be held in trust and applied only for the purpose of disbursement as permitted by this Section 7.10 and are hereby pledged to the Funding Lender, pending such application, in order to secure the payment of interest on the Corporation Obligations, and shall at all times be subject to the lien of such pledge until paid out and transferred as herein provided.

(b) (1) In the event the Funding Lender determines that legislative, judicial or other developments have occurred or other circumstances have emerged which could result in interest on the Volume Cap Corporation Obligation in an amount equal to the unfunded portion of the Volume Cap Portion of the Funding Loan evidenced by the Volume Cap Corporation Obligation (such unfunded portion, the "Remaining Volume Cap Amount") not being excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, or otherwise determines in good faith that it is in its best interest to cause the Remaining Volume Cap Amount to be fully advanced in order to assure that interest on the Volume Cap Corporation Obligation will remain excluded from gross income for Federal income tax purposes, then the Funding Lender may provide a written letter of direction (a "Draw-Down Notice") to the other parties hereto and to the Borrower, with a copy to the Tax Counsel whose Tax Counsel Approving Opinion is then in effect ("Current Tax Counsel"), to cause the Remaining Volume Cap Amount to be advanced in full (a "Contingency Draw-Down").

(2) In the event that the Corporation's statutory authority to issue obligations, including any Remaining Volume Cap Amount, set forth in Subdivision 23-c of Section 654 of the New York Private Housing Finance Law, will, by its terms, be repealed at any time prior to December __, 20__, and said authority is not, on or before the fifth (5th) Business Day preceding any such repeal, extended through the enactment of legislation, then the Funding Lender may provide a Draw-Down Notice to the other parties hereto and to the Borrower, with a copy to Current Tax Counsel, to cause a Contingency Draw-Down.

(3) The Draw-Down Notice, if given, shall take effect on the fifth Business Day (or, in the case of subsection (b)(1) above only, such greater number of Business Days to which the Corporation, the Borrower and the Funding Lender may agree in writing, with written notice to the other parties hereto and Current Tax Counsel) following the date on which the Funding Lender sends the Draw-Down Notice to the other parties hereto, with a copy to Current Tax Counsel. The Draw-Down Notice shall contain substantially the following words: "The Funding Lender elects to advance the Remaining Volume Cap Amount (\$_____) on _____ (the "Draw-Down

Date”).” The Draw-Down Notice will be delivered in the manner provided for notices hereunder, provided that the Draw-Down Notice will be delivered to the Borrower in the manner set forth in the Borrower Note and to Current Tax Counsel in the manner directed by the Corporation.

(4) Notwithstanding the foregoing, the Funding Lender must deliver a Draw-Down Notice on or prior to the Carryforward End Date electing to advance any Remaining Volume Cap Amount on or prior to the Carryforward End Date.

(c) Promptly after delivery of a timely Draw-Down Notice, the Funding Lender shall advance the Remaining Volume Cap Amount to the Fiscal Agent for deposit in the Funding Loan Proceeds Account, to be held for disbursements pursuant to the provisions of the Servicing Agreement and Section 7.5 hereof. The advance of the Remaining Volume Cap Amount shall be treated as the funding of the full remaining principal amount of Tranche A of the Borrower Loan under the Borrower Loan Agreement, a like amount of the Volume Cap Portion of Funding Loan shall be deemed concurrently and simultaneously advanced under this Funding Loan Agreement and the Volume Cap Corporation Obligation shall be outstanding in the full Authorized Volume Cap Amount, less any payments of principal of the Volume Cap Corporation Obligation previously received by the Fiscal Agent.

(d) Amounts on deposit in the Negative Arbitrage Account shall be disbursed to pay or provide for the payment of the interest due from time to time on the Funding Loan in the same manner as amounts on deposit in the Revenue Account pursuant to Section 7.8(b)(2) hereof, strictly in accordance with the terms of this Funding Loan Agreement and the Borrower Loan Documents.

(e) The parties hereto each acknowledge that, if given, a Draw-Down Notice will be implemented in a simple form in order to address certain unlikely contingencies in the most expeditious manner possible. The parties hereto further agree to proceed in a good faith manner with such further documentation, clarification, amendment of existing documents and/or supplemental direction as any party hereto may reasonably request in order to implement the spirit of this Section 7.10 and/or to address additional factors or circumstances arising from this Section 7.10 or the delivery of a Draw-Down Notice.

Section 7.11. Federal Tax Allocation of Proceeds. The Volume Cap Corporation Obligation in the maximum amount of \$[20,500,000] will be issued pursuant to an allocation of a portion of the State’s private activity volume cap under the provisions of Section 146(a) of the Code and the Recycling Corporation Obligation in the maximum amount of \$[20,500,000] will be issued under the provisions of Section 146(i) or Section 146(i)(6) of the Code. The proceeds of each Corporation Obligation will be allocated so that all of the proceeds of the Volume Cap Corporation in the amount of \$[20,500,000] and \$_____ of the proceeds of the Recycling Corporation Obligation will be allocated to the funding of the costs of constructing and equipping the residential units in the Project that are low-income residential units within the meaning of Section 142(d) of the Code, and \$_____ of the proceeds of the Recycling Corporation Obligation will be allocated to the funding of the costs of constructing and equipping residential units in the Project that are not low-income residential units within the meaning of Section 142(d) of the Code.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.1. Representations of the Corporation. The Corporation makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Corporation is a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, created by and pursuant to the Act. The Corporation is authorized by the Act, in furtherance of the public purposes described in the Act, to engage in the transactions contemplated by the Funding Loan Documents to which it is a party.

(b) The Corporation has complied with all provisions of the Constitution and laws of the State, including the Act, and has full power and authority to (i) incur the special revenue obligations represented by the Corporation Obligations and apply the proceeds of the Funding Loan to finance the Borrower Loan, (ii) enter into each of the Funding Loan Documents to which it is a party and (iii) carry out and consummate the transactions contemplated by the Funding Loan Documents to which it is a party.

(c) The incurrence of the special revenue obligations represented by the Corporation Obligations, the application of the proceeds of the Funding Loan to finance the Borrower Loan and the execution and delivery of the Corporation Obligations and this Funding Loan Agreement and the other agreements contemplated by the Funding Loan Documents to which the Corporation is a party, and compliance with the provisions hereof and thereof, do not and will not conflict with or constitute on the part of the Corporation a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, resolution, mortgage, lease or other instrument to which the Corporation is subject or by which it is or may be bound.

(d) There is no litigation or other proceeding of any nature now pending or threatened against or adversely affecting the Corporation of which the Corporation has notice or, to the Corporation's knowledge, any basis therefor, seeking to restrain or enjoin the incurrence of the special revenue obligations represented by the Corporation Obligations and application of the proceeds of the Funding Loan to finance the Borrower Loan, or in any way contesting or affecting the validity of the Corporation Obligations, this Funding Loan Agreement, the other agreements contemplated by the Funding Loan Documents to which the Corporation is a party or any proceedings of the Corporation taken with respect to the incurrence of the special revenue obligations represented by the Corporation Obligations and application of the proceeds of the Funding Loan to finance the Borrower Loan, or the pledge, collection or application of any moneys or security provided for the payment of the Corporation Obligations or the Funding Loan, or the existence, powers or operations of the Corporation, or challenging the exclusion of interest on the Corporation Obligations from gross income for Federal income tax purposes.

(e) The revenues and receipts to be derived from the Borrower Loan Documents and this Funding Loan Agreement have not been pledged previously by the Corporation to secure any of its bonds, notes or other obligations (other than the Corporation Obligations).

(f) THE CORPORATION MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER, THE GUARANTOR OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER OR THE GUARANTOR IN CONNECTION WITH THE BORROWER LOAN OR THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

(g) THE CORPORATION OBLIGATIONS SHALL BE SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND ASSETS PLEDGED THEREFOR PURSUANT TO THIS FUNDING LOAN AGREEMENT. THE CORPORATION OBLIGATIONS SHALL NOT BE A DEBT OF EITHER THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON, NOR SHALL THE CORPORATION OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OF THE CORPORATION OTHER THAN THOSE OF THE CORPORATION PLEDGED THEREFOR. THE CORPORATION HAS NO TAXING POWER.

(h) Nothing in this Funding Loan Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Fiscal Agent, the Borrower and the Funding Lender, any right, remedy or claim under or by reason of this Funding Loan Agreement or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Fiscal Agent, the Borrower and the Funding Lender.

Section 8.2. Representations of the Funding Lender. The Funding Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Funding Lender has authority to make the Funding Loan, to acquire the Corporation Obligations and to execute this Funding Loan Agreement and any other instruments and documents required to be executed by the Funding Lender in connection herewith and therewith.

(b) The Funding Lender has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the Funding Loan and the Corporation Obligations. The Funding Lender is able to bear the economic risks of such investment.

(c) The Funding Lender acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Funding Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation, the Borrower, the Guarantor, the Project, the use of proceeds of the Funding Loan and the Corporation Obligations and the security therefor so that, as a reasonable investor, the Funding Lender has been able to make its decision to make the Funding Loan. The Funding Lender acknowledges that it has not relied upon the

Corporation for any information in connection with the making of the Funding Loan (except for the Corporation's representations and warranties set forth in this Funding Loan Agreement) and that no offering document or other offering material has been prepared or will be prepared by or on behalf of the Corporation in connection with the making of the Funding Loan. The Funding Lender is making its decision to make the Funding Loan to the Corporation directly through its credit review and due diligence concerning the Project and the Borrower. The undersigned is acquiring the Corporation Obligations directly from the Corporation and not through a placement of the Corporation Obligations with the Funding Lender through any financial institution acting as an intermediary between the Corporation and the Funding Lender.

(d) The Funding Lender is a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, having capital and surplus of \$5,000,000,000 or more, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, (ii) is authorized to do business in the State, (iii) is itself purchasing the Corporation Obligations for its own account and not with a present view to the resale or distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interest in the Funding Loan and the Corporation Obligations (other than to another transferee (a "Permitted Transferee") that agrees to sign representations to substantially the same effect as the Required Transferee Representations in substantially the form attached hereto as EXHIBIT B and delivers the same to the Corporation and the Fiscal Agent) and acknowledges that it has conducted its own review of the credit for the Funding Loan and the Corporation Obligations and further promises to require such assurances from any Permitted Transferee and (iv) agrees to be bound by provisions of Section 2.4 of this Funding Loan Agreement.

(e) The Funding Lender acknowledges that the Corporation would not execute and deliver the Corporation Obligations to the Funding Lender without the Funding Lender making the representations contained in this Section 8.2.

(f) The Funding Lender acknowledges that (a) the Corporation Obligations are special revenue obligations of the Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Corporation Obligations 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 Corporation Obligations be payable out of any funds other than those of the Corporation pledged therefor, and (c) the Corporation has no taxing power.

(g) The Funding Lender will provide the Corporation with a draft of any offering document or other offering material to be prepared and provided to any Permitted Transferee of the Funding Loan and the Corporation Obligations, and the Corporation shall have the right to approve any description of the Corporation, the Funding Loan and the Corporation Obligations therein (which approval shall not be unreasonably withheld).

(h) The Funding Lender acknowledges that, upon the occurrence of a Mortgage Assignment Event, this Funding Loan Agreement and the Corporation's obligations under the Corporation Obligations shall terminate and the Corporation Obligations shall be cancelled pursuant to Article IX hereof.

(i) The Funding Lender understands that, from the Closing Date to but not including the Permanent Conversion Date, the Corporation shall not be in default of its obligations under this Funding Loan Agreement and any Corporation Obligation for any failure to pay principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by such Corporation Obligation, as a result of a default by the Borrower of its payment obligations under the Borrower Note (regardless of whether such default constitutes a Mortgage Assignment Event), but interest shall continue to accrue (but not in excess of the Maximum Rate) on the Corporation Obligations and on any scheduled interest on the Corporation Obligations that is not paid as a result of the foregoing provision, as well as on any other amounts due on the Corporation Obligations and not paid when due, at the then applicable interest rate on the Corporation Obligations until the earlier of (i) the time that such interest is paid and (ii) the occurrence of a Mortgage Assignment Event.

(j) The Funding Lender understands that the Funding Loan and the Corporation Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) are not listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

(k) The Funding Lender understands that there are circumstances in which the Tax Counsel Approving Opinion may no longer be relied upon and further understands that neither the Corporation nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Corporation's, the Funding Lender's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

Section 8.3. No Encumbrance on Security. The Corporation shall not knowingly create or knowingly permit the creation of any obligation that will be secured by a superior or, other than the Corporation Obligations, an equal charge and lien on the Pledged Revenues and assets pledged hereunder, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.4. Repayment of Funding Loan. Subject to the provisions of Section 2.1(f) and Article III hereof, the Corporation shall duly and punctually repay, or cause to be repaid, as herein provided, the principal, interest and premium, if any, due on the Funding Loan, as evidenced by the Corporation Obligations, as and when the same shall become due, all in accordance with the terms of the Corporation Obligations and this Funding Loan Agreement.

Section 8.5. Servicing. The Corporation shall, subject to the reasonable approval of the Funding Lender prior to the Permanent Conversion Date only, appoint a Servicer to duly and properly service the Borrower Loan and enforce the payment and collection of all payments of principal and interest and Escrow Payments thereon. The initial Servicer shall be the Funding Lender.

Section 8.6. Maintenance of Records; Inspection of Records.

(a) The Fiscal Agent shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all of its transactions relating to the Funding Loan and all funds and accounts established under this Funding Loan Agreement.

The Fiscal Agent shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Funding Loan, subject to the inspection of the Corporation and its representatives at all reasonable times and upon reasonable prior notice.

(b) The Corporation shall at any and all times, upon the reasonable request of the Servicer, the Borrower or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books and records of the Corporation relating to the Borrower Loan, the Project and the Funding Loan, and to make copies thereof. The Corporation may authorize or permit the Fiscal Agent to keep such books and records on behalf of the Corporation.

Section 8.7. Tax Covenants. The following covenants are made solely for the benefit of the Funding Lender:

(a) 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 Corporation Obligation shall be excluded from gross income for Federal income tax purposes, except in the event that the holder of the Corporation Obligation is a "substantial user" of the facilities financed by the Funding Loan or a "related person" within the meaning of the Code.

(b) The Corporation shall not permit at any time or times any of the proceeds of the Funding Loan 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 the Corporation Obligation to be an "arbitrage bond" as defined in Section 148(a) of the Code.

(c) The Corporation shall not permit any person or "related person" (as defined in the Code) to purchase the Corporation Obligation or the Funding Loan, or a participation interest in either, or bonds, notes or other obligations in an amount related to the Borrower Loan to be acquired by the Corporation from such person or "related person".

Section 8.8. Covenants with respect to the Borrower Loan Documents. The Corporation shall not modify, amend or supplement the Borrower Loan Documents in any material way without the prior written consent of the Funding Lender. The parties acknowledge and agree that entering into a document that does not constitute a Borrower Loan Document to circumvent the forgoing provision shall have the effect of modifying, amending or supplementing the Borrower Loan Documents in the manner proscribed hereunder.

ARTICLE IX

MORTGAGE ASSIGNMENT EVENT; EVENT OF DEFAULT AND REMEDIES

Section 9.1. Mortgage Assignment Event. (a) Each of the events numbered (1) through (6) below is hereby declared a "Mortgage Assignment Event" with respect to the Borrower Loan; provided, however, that the provisions of this Section 9.1 shall be of no force and effect from and after the Permanent Conversion Date, notwithstanding the fact that this Funding Loan Agreement is still in effect from and after the Permanent Conversion Date:

- (1) subject to the provisions of Section 9.2(a) below, a default by the Borrower of its payment obligations under the Borrower Note; or
 - (2) the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Funding Lender under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect; or
 - (3) the failure by the Funding Lender to honor its obligations set forth in this Article IX; or
 - (4) a material misrepresentation at the time made by the Funding Lender of any of the representations set forth in Section 8.2 hereof; or
 - (5) the non-receipt by the Fiscal Agent of the Mandatory Prepayment, as described in Section 3.1(b) hereof, by _____, 20__, as such date may be extended as shall be agreed to by the Corporation and the Funding Lender, with written notice thereof delivered to the Fiscal Agent (or, if such date is not a Business Day, the next succeeding Business Day); or
 - (6) the purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to Section 9.2(b) hereof.
- (b) It shall also be a Mortgage Assignment Event if the Permanent Conversion (as defined in the Commitment) has not occurred by _____, 20__, as such date may be extended as shall be agreed to by the Corporation and the Funding Lender, with written notice thereof delivered to the Fiscal Agent (or, if such date is not a Business Day, the next succeeding Business Day).

Section 9.2. Purchase of the Borrower Loan by the Funding Lender.

(a) Immediately upon the occurrence of a Mortgage Assignment Event, the Funding Lender shall be obligated to purchase or, if the Funding Lender does not so purchase, shall be deemed to have purchased, at the hereinafter defined Purchase Price, the Borrower Loan, the Borrower Note and the Borrower Mortgage; provided, however, that

(x) prior to the issuance of a temporary certificate of occupancy and the first unit in the Project being leased and occupied, none of the events described in clauses (1) and (5) of Section 9.1(a) and the event described in Section 9.1(b) above (each, a "Precipitating Event") shall constitute a Mortgage Assignment Event until the earlier of (i) receipt by the Corporation and the Fiscal Agent from the Funding Lender of the notice described in Section 9.2(b) hereof that the Funding Lender intends to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to Section 9.2(b) hereof, and (ii) the passage of twenty-four (24) full calendar months subsequent to the occurrence of any Precipitating Event during which time a Plan (as defined below) may be worked out and documented in the manner described in (y) below; provided further, that upon request from the Funding Lender to the Corporation, such twenty-four (24) calendar month period (A) may be extended for at most two (2) additional twelve (12) calendar month periods as may be approved by the Corporation in its discretion and

(B) shall be extended to forty-eight (48) calendar months if foreclosure proceedings have been initiated with respect to the Project no later than sixty (60) days prior to the end of the initial twenty-four (24) calendar month period; and

(y) upon and after the issuance of a temporary certificate of occupancy and the first unit in the Project being leased and occupied, none of the Precipitating Events shall constitute a Mortgage Assignment Event until the earlier of (i) receipt by the Corporation and the Fiscal Agent from the Funding Lender of the notice described in Section 9.2(b) hereof that the Funding Lender intends to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to Section 9.2(b) hereof, and (ii) the passage of twelve (12) full calendar months subsequent to the occurrence of any Precipitating Event; provided further, that, with respect to any Precipitating Event, such twelve (12) calendar month period shall be extended to a longer time period under each of the following circumstances (but only if the Funding Lender remains in compliance with (z) below):

(1) to eighteen (18) full calendar months subsequent to the occurrence of any Precipitating Event, provided that, (A) within six (6) full calendar months of the applicable Precipitating Event, the Funding Lender has submitted to the Corporation for its approval, in its discretion, a written business plan for a workout of existing defaults under the Borrower Loan Agreement or any other of the Borrower Loan Documents and/or for the enforcement of the Borrower Loan Agreement or any other Borrower Loan Documents, which plan shall provide for the payment of any accrued and unpaid Administrative Fee in a manner satisfactory to the Corporation (unless otherwise waived or modified by the Corporation) and (B) the Corporation has approved such business plan in writing (the approved business plan, the "Plan"). The Funding Lender and/or the Servicer shall seek to enter into such documents and agreements as may be reasonably necessary or desirable to implement and document the Plan, including, but not limited to any forbearance agreements, waivers and/or amendments as may be reasonably necessary or desirable to implement and document the Plan;

(2) to thirty (30) full calendar months subsequent to the occurrence of a Precipitating Event if (A) the parties are unable to enter into definitive documents memorializing the Plan to the satisfaction of the Corporation and the Funding Lender within eighteen (18) full calendar months subsequent to the occurrence of the Precipitating Event as contemplated by clause (1) above, and (B) the Funding Lender or the Servicer has within eighteen (18) full calendar months subsequent to the occurrence of the Precipitating Event, commenced an action or proceeding (other than for foreclosure of the lien of the Borrower Mortgage) or taken any other remedial actions against the Borrower available to it; and/or

(3) to thirty-six (36) full calendar months subsequent to the occurrence of a Precipitating Event if, after the occurrence of a Precipitating Event, the Funding Lender or the Servicer has commenced a proceeding to foreclose the lien of the Borrower Mortgage;

and provided further, that if within the time frames described above the terms of a workout (and with respect to clause (y)(1) in a manner consistent with the Plan, as it may have been theretofore modified with the consent of the Corporation) shall have been agreed to and documented to the satisfaction of the Funding Lender (and with respect to clause (y)(1) to the reasonable satisfaction of the Corporation), the Precipitating Event shall be deemed to have been cured and no Mortgage Assignment Event with respect thereto shall occur.

(z) During the continuance of any Precipitating Event, the Funding Lender shall provide, on a monthly basis, a Work-Out Certificate substantially in the form attached hereto as EXHIBIT D (a "Work-Out Certificate"), demonstrating that (i) the Funding Lender is actively engaged in resolving the issues giving rise to the Precipitating Event or (ii) the Funding Lender has commenced foreclosure proceedings with respect to the Project or (iii) the Funding Lender has commenced deed-in-lieu of foreclosure proceedings with respect to the Project.

(b) Upon notice from the Funding Lender to the Corporation and the Fiscal Agent that the Servicer has declared an event of default under the Borrower Note, the Borrower Mortgage and/or any other Borrower Loan Document, the Funding Lender shall have the absolute right, but not the obligation, to purchase or to be deemed to have purchased the Borrower Loan, the Borrower Note and the Borrower Mortgage. Any purchase pursuant to this Section 9.2(b) shall be at the Purchase Price, subject to the terms and provisions of this Funding Loan Agreement, provided that the Funding Lender shall give the Corporation and the Fiscal Agent not more than 30 days nor less than 10 days prior notice, substantially in the form attached hereto as EXHIBIT E, of the date on which it intends to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage pursuant to this Section 9.2(b). The Fiscal Agent shall notify the Funding Lender one (1) day prior to the Purchase Date of the Purchase Price.

(c) The purchase price (the "Purchase Price") of the Borrower Loan, the Borrower Note and the Borrower Mortgage shall be an amount equal to 100% of the principal amount of the Corporation Obligations outstanding, plus accrued and unpaid interest thereon, if any, as of the date of purchase or deemed purchase (the "Date of Purchase") of the Borrower Loan, the Borrower Note and the Borrower Mortgage by the Funding Lender. The Purchase Price shall be computed by the Fiscal Agent in accordance herewith, and shall be deemed to be conclusive, absent manifest error. The Purchase Price shall be paid by the Funding Lender (in immediately available funds, if paid), or shall be deemed paid, to the Fiscal Agent on the Date of Purchase.

(d) The Funding Lender shall neither be obligated to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage, nor shall the Funding Lender be deemed to have purchased the Borrower Loan, the Borrower Note and the Borrower Mortgage, if any of the Borrower Loan Agreement, the Borrower Note or the Borrower Mortgage or any Guaranty has been modified, amended or supplemented in any material way without the prior written consent of the Funding Lender.

(e) UPON THE OCCURRENCE OF A MORTGAGE ASSIGNMENT EVENT, (I) THE FUNDING LENDER SHALL BE OBLIGATED TO PURCHASE, OR IF THE FUNDING LENDER DOES NOT SO PURCHASE, SHALL BE DEEMED TO HAVE PURCHASED THE

BORROWER LOAN, THE BORROWER NOTE AND THE BORROWER MORTGAGE AT THE PURCHASE PRICE, (II) THE FUNDING LOAN AGREEMENT AND THE CORPORATION'S OBLIGATIONS UNDER THE CORPORATION OBLIGATIONS SHALL TERMINATE, (III) THE CORPORATION SHALL ASSIGN THE BORROWER LOAN, THE BORROWER NOTE AND THE BORROWER MORTGAGE TO THE FUNDING LENDER IN ACCORDANCE WITH SECTION 9.3 HEREOF AND (IV) THE CORPORATION OBLIGATIONS SHALL BE CANCELLED.

(f) Notwithstanding any notice from the Funding Lender to the Corporation and the Fiscal Agent pursuant to paragraph (b) of this Section 9.2 to the effect that the Borrower Loan, the Borrower Note and the Borrower Mortgage will be purchased pursuant to the provisions of this Article IX, the Borrower may pay to the Servicer the amount of any non-payment under the Borrower Loan on any date prior to the Date of Purchase and such payment will be deemed to cancel the purchase or deemed purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage.

Section 9.3. Delivery of Borrower Loan Documents to the Funding Lender. Upon the purchase or deemed purchase by the Funding Lender of the Borrower Loan, the Borrower Note and the Borrower Mortgage, the Corporation, or the Fiscal Agent at the direction of the Corporation, shall, to the extent possible, promptly deliver, or direct the delivery of, the following to the Funding Lender (after the payment by the Servicer of all fees and expenses of the Corporation incurred in connection with such delivery by or on behalf of the Corporation):

- (1) the original Borrower Note, endorsed by the Corporation without recourse to the Funding Lender;
- (2) the original Borrower Mortgage or a certified copy thereof from the Office of the City Register, Manhattan County and a separate assignment to the Funding Lender, executed by the Corporation in recordable form, of the Borrower Mortgage and of all rights thereunder;
- (3) a general assignment and instrument of transfer conveying all instruments, interests and rights that the Fiscal Agent or the Corporation owns or holds in connection with the Borrower Note, the Borrower Mortgage and the other Borrower Loan Documents;
- (4) the originals of all instruments, other than those provided to the Funding Lender on the Closing Date, made by the Corporation and the Fiscal Agent or any of their respective successors or assigns in connection with the Borrower Loan including, but not limited to, acknowledgment copies of UCC-1 Financing Statements (the "UCC-1s") executed in connection with the Borrower Loan;
- (5) UCC-3 Financing Statements in form suitable for filing in the appropriate county and state government offices, which UCC-3 Financing Statements shall reflect the assignment of the UCC-1s to the Funding Lender;
- (6) if requested by the Funding Lender, an endorsement to the policies of title insurance with respect to the Borrower Mortgage, insuring the Funding Lender as the

owner and holder of the Borrower Mortgage as of the date of the assignment thereof referred to in item (2) above;

(7) any and all insurance proceeds, condemnation awards or other sums held by the Corporation or the Fiscal Agent pursuant to or in connection with the Borrower Note or the Borrower Mortgage; and

(8) such modifications to the Borrower Loan Documents as may be reasonably required by the Funding Lender to evidence the assignment of the Borrower Loan to the Funding Lender separate and apart from the HDC Subordinate Loan [and the Citibank Subordinate Loan] (as such terms are defined in the Borrower Loan Agreement); provided, however, the failure to deliver such modifications shall not limit the effectiveness of the assignment of the Borrower Loan, the Borrower Note or the Borrower Mortgage contemplated hereby.

Any document to be assigned or delivered to the Funding Lender pursuant to this Section 9.3 may instead be delivered to any wholly-owned subsidiary of the Funding Lender, provided that the Corporation and the Fiscal Agent receive prior written direction to do so.

Section 9.4. Event of Default. From and after the Permanent Conversion Date, and upon the occurrence of a default by the Borrower of its payment obligations under the Borrower Note, the failure by the Corporation to either (i) file a claim under the Mortgage Insurance with respect to such event and forward, from the proceeds received under such Mortgage Insurance, any payment of principal due on the Borrower Loan as set forth in the Borrower Note and any payment of interest due at the rate set forth in Section 2.1(e) hereof, to the Funding Lender within two (2) Business Days of receipt of such proceeds, or (ii) timely make any payment due pursuant to Section 2.1(f)(ii) hereof, shall constitute an “Event of Default” under this Funding Loan Agreement.

Section 9.5. Remedies upon an Event of Default. Upon the occurrence of an Event of Default described in Section 9.4 hereof, the sole remedies to be sought against the Corporation in any action or proceeding in connection with the enforcement of the provisions of Section 9.4 hereof shall be limited to specific performance, declaratory judgment, temporary restraining order, preliminary injunction, permanent injunction and/or any other court ordered relief. If, as a result of any action or proceeding to enforce the provisions of Section 9.4 hereof, a court grants any relief sought by any party to this Agreement, the party against whom such relief is granted shall pay all costs and expenses related to such action or proceeding that are incurred by the party seeking such relief.

ARTICLE X

AMENDMENTS

Section 10.1. Amendment of Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Corporation Obligations may be amended or waived only by an instrument signed by the Funding Lender and the Corporation. No such amendment shall

change or modify any of the rights or obligations of the Fiscal Agent without its written assent thereto.

Section 10.2. Amendments Require Funding Lender Consent. The Corporation shall not consent to any amendment, change or modification of a Borrower Loan Document or Funding Loan Document without the prior written consent of the Funding Lender (such consent not to be unreasonably withheld or delayed).

Section 10.3. Consents and Opinions. Any amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall not become effective unless and until (i) the Funding Lender, the Corporation and, if applicable, the Fiscal Agent shall have approved the same in writing and (ii) the Funding Lender and the Corporation shall have received, at the expense of the Borrower, a Tax Counsel Not Adversely Affect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE XI

THE FISCAL AGENT

Section 11.1. Appointment and Acceptance of Duties of Fiscal Agent. (a) [] is appointed as Fiscal Agent and, by its execution of this Funding Loan Agreement, signifies its acceptance of the duties and obligations of the Fiscal Agent hereunder.

(b) The Fiscal Agent is hereby vested with all the rights, powers and duties of a trustee permitted to be appointed by bond owners pursuant to the Act and the right of bond owners to appoint a trustee pursuant to the Act is hereby abrogated as permitted by the Act.

Section 11.2. Responsibility of Fiscal Agent. The recitals of fact herein and in the Corporation Obligations contained shall be taken as the statements of the Corporation, and the Fiscal Agent does not assume any responsibility for the correctness or completeness of the same. The Fiscal Agent makes no representations as to the validity or sufficiency of this Funding Loan Agreement or of the Corporation Obligations (except for its certificate of authentication thereon) or in respect of the security afforded by this Funding Loan Agreement, and the Fiscal Agent shall not incur any responsibility in respect thereof. The Fiscal Agent shall be responsible for the performance only of such duties as are specifically set forth herein, and no duty shall be implied from any provision hereof. The Fiscal Agent shall be responsible for its representations contained in its certificate on the Corporation Obligations. The Fiscal Agent shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 11.3. Evidence on Which the Fiscal Agent May Act. The Fiscal Agent shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper, document or instrument believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be of counsel to, and/or an employee of, the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any fund or account established hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate signed by an Authorized Officer of the Corporation, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Funding Loan Agreement upon the faith thereof, but in its sole discretion the Fiscal Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Neither the Fiscal Agent nor any successor Fiscal Agent shall be liable to the Corporation, the Funding Lender, or any other person for any act or omission done or omitted to be done by such Fiscal Agent in reliance upon any instruction, direction, certification or opinion received by the Fiscal Agent pursuant to this Funding Loan Agreement or for any act or omission done or omitted in good faith and without negligence or willful or reckless misconduct. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Corporation to the Fiscal Agent shall be sufficiently executed if executed in the name of the Corporation by an Authorized Officer of the Corporation.

Section 11.4. Compensation. The Corporation shall pay or provide for the payment of reasonable compensation to the Fiscal Agent from time to time for all services rendered under this Funding Loan Agreement and also all reasonable fees, expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Funding Loan Agreement and the Fiscal Agent shall have a lien therefor on any and all funds (except funds on deposit in or required to be deposited in the Rebate Fund) at any time held by it under this Funding Loan Agreement. The Corporation further agrees to indemnify and save the Fiscal Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful default.

Section 11.5. Permitted Acts and Functions. The Fiscal Agent may become the owner of the Corporation Obligations, with the same rights it would have if it were not the Fiscal Agent. The Fiscal Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the holder of the Corporation Obligations or to effect or aid in any reorganization growing out of the enforcement of the Corporation Obligations or this Funding Loan Agreement. The Fiscal Agent may be an underwriter in connection with the sale of any securities offered or issued by the Corporation.

Section 11.6. Resignation of Fiscal Agent. A Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Funding Loan Agreement by giving

not less than 60 days' written notice to the Corporation and mailing notice thereof specifying the date when such resignation shall take effect to the Funding Lender, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 11.8 hereof, and such successor shall have accepted such appointment, in which event such resignation shall take effect immediately on the appointment of and acceptance by such successor; provided, however, no such resignation shall take effect until a successor Fiscal Agent has been appointed and such successor has accepted such appointment.

Section 11.7. Removal of Fiscal Agent. The Corporation may remove the Fiscal Agent at any time for such cause as shall be determined in the sole discretion of the Corporation by filing with the Fiscal Agent and the Funding Lender an instrument signed by an Authorized Officer of the Corporation; provided, however, no such removal shall take effect until a successor Fiscal Agent has been appointed and such successor has accepted such appointment.

Section 11.8. Appointment of Successor Fiscal Agent. (a) In case at any time a Fiscal Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Fiscal Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of a Fiscal Agent, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Fiscal Agent. The Corporation shall mail notice of any such appointment made by it to the Funding Lender.

(b) If in a proper case no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 11.8 within 45 days after the Fiscal Agent shall have given to the Corporation written notice, as provided in Section 11.6 hereof, or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or the Funding Lender may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

(c) The Fiscal Agent and any Fiscal Agent appointed under the provisions of this Section 11.8 in succession to the Fiscal Agent shall be a trust company or commercial bank, which shall be a Federal depository institution or a state chartered depository institution, having the powers of a trust company within the State, having capital, surplus and undivided profits aggregating at least \$100,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Funding Loan Agreement.

Section 11.9. Transfer of Rights and Property to Successor Fiscal Agent. Any successor Fiscal Agent appointed under this Funding Loan Agreement shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiscal Agent, with like effect as if originally named as Fiscal Agent, but the Fiscal Agent ceasing to act shall nevertheless, on the request of the Corporation, or of its successor Fiscal Agent, execute, acknowledge and deliver such instruments of

conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiscal Agent all the right, title and interest of the predecessor Fiscal Agent in and to any property held by it under this Funding Loan Agreement, and shall pay over, assign and deliver to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Upon the effectiveness of the resignation or removal of the Fiscal Agent, such Fiscal Agent's authority to act pursuant to this Funding Loan Agreement shall terminate and such Fiscal Agent shall have no further responsibility or liability whatsoever for performance of this Funding Loan Agreement as Fiscal Agent.

Section 11.10. Merger or Consolidation. Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor to the Fiscal Agent under Section 11.8 hereof and shall be authorized by law to perform all the duties imposed upon it by this Funding Loan Agreement, shall be the successor to the Fiscal Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 11.11. Adoption of Authentication. In case any Corporation Obligation shall have been authenticated but not delivered, any successor Fiscal Agent may adopt the certificate of authentication of any predecessor Fiscal Agent so authenticating such Corporation Obligation and deliver such Corporation Obligation so authenticated, and in case such Corporation Obligation shall not have been authenticated, any successor Fiscal Agent may authenticate such Corporation Obligation in the name of the predecessor Fiscal Agent or in the name of the successor Fiscal Agent, and in all such cases such certificate shall have the full force which it is anywhere in such Corporation Obligation or in this Funding Loan Agreement provided that the certificate of authentication of the Fiscal Agent shall have.

Section 11.12. Evidence of Signatures of Ownership of Corporation Obligations. (a) Any request, consent or other instrument which this Funding Loan Agreement may require or permit to be signed and executed by the holder of the Corporation Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such owner in person or by such owner's attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Corporation Obligations shall be sufficient for any purpose of this Funding Loan Agreement (except as otherwise herein expressly provided) if made in the following manner, but the Fiscal Agent may nevertheless in its sole discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by such owner or such owner's attorney of such instrument may be proved by a Certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or other member of the Financial Industry Regulatory Authority, Inc. satisfactory to the Fiscal Agent or of any notary

public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such officer purports to act, that the person signing such request or other instrument acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate owner may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(b) The ownership of the Corporation Obligations and date of holding the same shall be proved by the registry books.

(c) Any request, consent or vote of the owner of the Corporation Obligations shall bind all future owners of the Corporation Obligations in respect of anything done or suffered to be done by the Corporation or any fiduciary in accordance therewith.

Section 11.13. Preservation and Inspection of Documents. All documents received by the Fiscal Agent under the provisions of this Funding Loan Agreement (or microfilm, microcard or similar photographic reproduction thereof) shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation, the Servicer and the Funding Lender and their agents and their representatives, any of whom may make copies thereof.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Notices.

(a) All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Corporation:

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

with a copy to:

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

If to the Borrower:

with a copy to:

Attention:

Attention:

If to the Fiscal Agent:

Attention:

If to the Funding Lender:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
RE: MEC 125 Parcel B West – Deal # _____
Facsimile: (212) 723-8209

And

325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations/Asset Management
RE: MEC 125 Parcel B West – Deal # _____
Facsimile: (805) 557-0924

and a copy of any notices of
default sent to

388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
RE: MEC 125 Parcel B West – Deal # _____
Facsimile: (646) 291-5754

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three (3) Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegraph or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by

any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 12.2. Term of Funding Loan Agreement.

(a) Subject to the provisions of paragraph (b) of this Section 12.2, this Funding Loan Agreement shall be in full force and effect until all payment obligations of the Corporation hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Corporation Obligations and the repurchase in full of the Participation, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

(b) Notwithstanding the provisions of paragraph (a) of this Section 12.2, this Funding Loan Agreement and the Corporation's obligations under the Corporation Obligations shall terminate upon the occurrence of a Mortgage Assignment Event.

Section 12.3. Successors and Assigns. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Corporation contained in this Funding Loan Agreement and in the Corporation Obligations shall bind and inure to the benefit of its successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Corporation, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Funding Loan Agreement and in the Corporation Obligations.

Section 12.4. Parties in Interest. Nothing in this Funding Loan Agreement and in the Corporation Obligations expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Fiscal Agent, the Borrower, the Funding Lender and the holder of the Corporation Obligations, any right, remedy or claim under or by reason of this Funding Loan Agreement and in the Corporation Obligations or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Fiscal Agent, the Borrower, the Funding Lender and the holder of the Corporation Obligations.

Section 12.5. Payments Due on Days Not Business Days. If the date for making any payment of principal, interest or premium, if any, due on the Funding Loan shall be a day other

than a Business Day, then payment of such principal, interest or premium, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for such payment, except that no interest shall continue to accrue on any unpaid principal to such next succeeding Business Day.

Section 12.6. Governing Law. This Funding Loan Agreement shall be governed by and construed in accordance with the applicable laws of the State.

Section 12.7. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Corporation Obligations or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation or the Funding Lender only to the full extent permitted by law.

Section 12.8. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 12.9. Electronic Transactions. The transactions described in this Funding Loan Agreement may be conducted and related documents and may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12.10. Effective Date. This Funding Loan Agreement shall be effective and binding on the parties hereto on the Closing Date.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the Funding Lender, the Corporation and the Fiscal Agent have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A.,
as Funding Lender

By: _____
Name:
Title:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION,
as Corporation

By: _____
Name: Ellen K. Duffy
Title: Senior Vice President for
Debt Issuance and Finance

[_____] ,
as Fiscal Agent

By: _____
Name:
Title:

EXHIBIT A

FORM OF REGISTERED CORPORATION OBLIGATION

THIS CORPORATION OBLIGATION MAY BE OWNED ONLY BY A PERMITTED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT, AND THE REGISTERED HOLDER HEREOF, BY THE ACCEPTANCE OF THE FUNDING LOAN AGREEMENT, (A) REPRESENTS THAT IT IS A PERMITTED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS CORPORATION OBLIGATION TO ANOTHER PERMITTED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
MULTI-FAMILY MORTGAGE REVENUE DEBT OBLIGATION
(MEC 125 PARCEL B WEST), NUMBER [1/2]

PRINCIPAL AMOUNT: Aggregate amount of advances funded pursuant to the Funding Loan Agreement and recorded by the Fiscal Agent in the recordkeeping system maintained by the Fiscal Agent, provided that such aggregate amount shall not exceed \$[20,500,000/\$30,000,000].

INITIAL DATE: [December __, 2018/_____]

MATURITY DATE: [_____, 20__ / _____, 20__]

REGISTERED HOLDER: Citibank, N.A.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION (herein sometimes called the "Corporation"), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the laws of the State of New York (herein sometimes called the "State"), acknowledges itself indebted to, and for value received, hereby promises to pay, solely from the sources hereinafter provided, to the REGISTERED HOLDER (as set forth above), upon presentation and surrender of this Corporation Obligation at the corporate trust office in the City of New York, New York of the Fiscal Agent hereinafter mentioned on the MATURITY DATE (unless paid prior thereto), the PRINCIPAL AMOUNT specified above, and to pay, solely from said sources, interest thereon from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the INITIAL DATE specified above, until the earlier of the maturity or prepayment hereof, at the rate and at the times hereinafter provided. The principal, interest and premium, if any, on this Corporation Obligation are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Payment of the interest on this Corporation Obligation on any interest payment date will be made to the person appearing on the registration books of the Corporation as the registered owner hereof as of the fifteenth (15th) day next preceding such interest payment date, such interest to be paid by check or draft mailed to the registered owner at such registered owner's address.

This Corporation Obligation is authorized to be issued under and pursuant to the "New York City Housing Development Corporation Act", Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York, as amended) (the "Act") and that certain Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), among the Corporation, Citibank, N.A. (the "Funding Lender") and [_____] , as the Fiscal Agent named therein (the "Fiscal Agent"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

The payment or prepayment of principal, interest and premium, if any, and any other amounts due on this Corporation Obligation shall be identical with and shall be made on the same dates, in the same amounts (less the Administrative Fee) and on the same terms and conditions, as the payment of principal, interest, premium, if any, fees, charges and other amounts due on the Borrower Loan as set forth in the Borrower Note, all as subject to and as provided in the Funding Loan Agreement. Notwithstanding the foregoing, from the Closing Date to but not including the Permanent Conversion Date, the Corporation shall not be in default of its obligations under the Funding Loan Agreement and this Corporation Obligation for any failure to pay principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by this Corporation Obligation, as a result of a default by the Borrower of its payment obligations under the Borrower Note (regardless of whether such default constitutes a Mortgage Assignment Event), but interest shall continue to accrue (but not in excess of the Maximum Rate) on this Corporation Obligation and on any scheduled interest on this Corporation Obligation that is not paid as a result of the foregoing provision, as well as on any other amounts due on this Corporation Obligation and not paid when due, at the then applicable interest rate on this Corporation Obligation until the earlier of (i) the time that such interest is paid and (ii) the occurrence of a Mortgage Assignment Event.

The principal amount of the Borrower Loan is funded on a draw-down basis, as provided in the Funding Loan Agreement. The principal amount of this Government Lender Obligation as of any given date shall be equal to the total amount of principal advanced by the Funding Lender, less any payments of principal of this Corporation Obligation previously received by the Fiscal Agent, as provided in the Funding Loan Agreement. Principal amounts of the Funding Loan advanced by the Funding Lender shall be recorded by the Fiscal Agent in the recordkeeping system maintained by the Fiscal Agent.

This Corporation Obligation shall be subject to prepayment on the terms and conditions set forth in the Funding Loan Agreement.

This Corporation Obligation shall be a special revenue obligation of the Corporation payable solely from the Pledged Revenues and assets pledged therefor pursuant to the Funding Loan Agreement. This Corporation Obligation shall not be a debt of either the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall this Corporation Obligation be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

There are pledged to the payment of principal, interest and premium, if any, due on this Corporation Obligation in accordance with the provisions of the Funding Loan Agreement, the

Pledged Revenues relating to the Borrower Loan and all amounts held in any funds and accounts established under the Funding Loan Agreement, subject only to the provisions of the Funding Loan Agreement permitting the use and application thereof for the purposes and on the conditions set forth in the Funding Loan Agreement.

No recourse shall be had for the payment of principal, interest and premium, if any, on this Corporation Obligation or for any claim based thereon or on the Funding Loan Agreement against any member, officer or employee of the Corporation or any natural person executing the Funding Loan Agreement or this Corporation Obligation.

All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Corporation Obligation. All reference to the Funding Loan Agreement and any modifications, amendments or supplements thereof and to the Act is made for a description of the pledges and covenants securing this Corporation Obligation, the nature, extent and manner of enforcement of such pledges and the rights and remedies of the holder of this Corporation Obligation with respect thereto.

Upon the occurrence of a Mortgage Assignment Event, (i) the Funding Lender shall be obligated to purchase or, if the Funding Lender does not so purchase, shall be deemed to have purchased, the Borrower Loan, the Borrower Note and the Borrower Mortgage at the Purchase Price, (ii) the Funding Loan Agreement and the Corporation's obligations under this Corporation Obligation shall terminate, (iii) the Corporation shall assign the Borrower Loan, the Borrower Note and the Borrower Mortgage to the Funding Lender in accordance with the provisions of the Funding Loan Agreement and (iv) this Corporation Obligation shall be cancelled.

This Corporation Obligation is transferable, as provided in the Funding Loan Agreement, only upon the books of the Corporation kept for that purpose at the office of the Fiscal Agent by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing, upon surrender of this Corporation Obligation together with a written instrument of transfer satisfactory to the Fiscal Agent duly executed by the registered owner or such registered owner's attorney duly authorized in writing. The Corporation and the Fiscal Agent may treat and consider the person in whose name this Corporation Obligation is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, principal, interest and premium, if any, due on this Corporation Obligation and for all other purposes whatsoever.

Neither the members of the Corporation nor any other person executing this Corporation Obligation shall be subject to any personal liability or accountability by reason of the issuance thereof.

This Corporation Obligation shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Funding Loan Agreement until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Funding Loan Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Corporation Obligation, exist, have happened and have been performed in due

time, form and manner as required by law and that this Corporation Obligation, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

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

(SEAL)

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: _____
Authorized Officer

Attest:

By: _____
Secretary or Assistant Secretary

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This Corporation Obligation is the Corporation Obligation described in the within mentioned Funding Loan Agreement.

Date of Authentication: _____

[_____] ,
as Fiscal Agent

By: _____
Authorized Officer

Assignment

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

Please Insert Social Security or other Identifying Number of Assignee (for computer record only)

Please Print or Typewrite Name and Address of Transferee

the within Corporation Obligation, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Corporation Obligation on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Corporation Obligation in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF REQUIRED TRANSFEREE REPRESENTATIONS

New York City Housing
Development Corporation
110 William Street
New York, New York 10038

Re: New York City Housing Development Corporation
Multi-Family Mortgage Revenue Debt Obligations
(MEC 125 Parcel B West) (the "Corporation Obligations")

The undersigned, on behalf of _____ (the "Purchaser") of the above-referenced Corporation Obligations, hereby represents that:

1. The Purchaser has authority to purchase the Corporation Obligations and execute this Required Transferee Representations and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Corporation Obligations. The undersigned is a duly appointed, qualified and acting officer of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this Required Transferee Representations on behalf of the Purchaser.
2. The Purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the Corporation Obligations. The Purchaser is able to bear the economic risks of such investment.
3. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation, the Borrower, the Guarantor, the Project, the use of proceeds of the Funding Loan and the Corporation Obligations and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Corporation Obligations. The Purchaser acknowledges that it has not relied upon the Corporation for any information in connection with the Purchaser's purchase of the Corporation Obligations and that no offering document or other offering material has been prepared or will be prepared by or on behalf of the Corporation in connection with the Purchaser's purchase of the Corporation Obligations. The Purchaser is making its decision to purchase the Corporation Obligations and to assume the obligations of the Funding Lender under the Funding Loan Agreement directly through its credit review and due diligence concerning the Project and the Borrower. The undersigned is purchasing the Corporation Obligations directly from _____ and not through a placement of the Corporation Obligations with the Purchaser through any financial institution acting as an intermediary between the Corporation and the Funding Lender.

4. The Purchaser is a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, having capital and surplus of \$5,000,000,000 or more, that (i) is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act, (ii) is authorized to do business in the State, (iii) is approved in writing by the Corporation, (iv) assumes the obligations of the Funding Lender under the Funding Loan Agreement, (v) is itself purchasing the Corporation Obligations for its own account and not with a present view to the resale or distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Corporation Obligations (provided, however, that the Purchaser reserves the right to transfer the Corporation Obligations or interests therein as permitted under the Funding Loan Agreement), and acknowledges that it has conducted its own review of the credit for the Funding Loan and the Corporation Obligations and further acknowledges that any transfer of the Corporation Obligations or any participations therein will require such assurances from any succeeding purchaser, and (vi) agrees to be bound by the provisions of Section 2.4 of the Funding Loan Agreement.

5. The Purchaser acknowledges that the sale of the Corporation Obligations to it is being made in reliance on its representations contained in this Required Transferee Representations.

6. The Purchaser acknowledges that (a) the Corporation Obligations are special revenue obligation of the Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Corporation Obligations 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 Corporation Obligations be payable out of any funds other than those of the Corporation pledged therefor, and (c) the Corporation has no taxing power.

7. The Purchaser will provide the Corporation with a draft of any offering document or other offering material to be prepared and provided to any permitted transferee of the Corporation Obligations, and the Corporation shall have the right to approve any description of the Corporation, the Funding Loan and the Corporation Obligations therein (which approval shall not be unreasonably withheld).

8. The Purchaser acknowledges that, upon the occurrence of a Mortgage Assignment Event, the Funding Loan Agreement and the Corporation's obligations under the Corporation Obligations shall terminate and the Corporation Obligations shall be cancelled.

9. The Purchaser acknowledges that, from the Closing Date to but not including the Permanent Conversion Date, the Corporation shall not be in default of its obligations under the Funding Loan Agreement and the Corporation Obligations for any failure to pay principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by the Corporation Obligations, as a result of a default by the Borrower of its payment obligations under the Borrower Note (regardless of whether such default constitutes a Mortgage Assignment Event), but interest shall continue to accrue (but not in excess of the Maximum Rate) on the Corporation Obligations and on any scheduled interest on the Corporation Obligations that is not paid as a result of the foregoing provision, as well as on any other amounts due on the

Corporation Obligations and not paid when due, at the then applicable interest rate on the Corporation Obligations until the earlier of (i) the time that such interest is paid and (ii) the occurrence of a Mortgage Assignment Event.

10. The Purchaser understands that the Funding Loan and the Corporation Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) are not listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

11. The Purchaser understands that there are circumstances in which the Tax Counsel Approving Opinion may no longer be relied upon and further understands that neither the Corporation nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Corporation's, the Purchaser's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), among the Corporation, the Funding Lender and [_____], as the Fiscal Agent named therein.

IN WITNESS WHEREOF, _____ has caused this Required Transferee Representations to be executed by the undersigned authorized officer this ___ day of _____.

as Purchaser

By _____
Name:
Title:

EXHIBIT C

FORM OF PARTICIPANT LETTER

New York City Housing
Development Corporation
110 William Street
New York, New York 10038

Re: New York City Housing Development Corporation
Multi-Family Mortgage Revenue Debt Obligations
(MEC 125 Parcel B West) (the "Corporation Obligations")

The undersigned, on behalf of _____ (the "Funding Loan Participant"), with respect to the above-referenced Corporation Obligations, hereby represents that:

1. The Funding Loan Participant has authority to purchase a participation interest in the Corporation Obligations (the "Funding Loan Participation") and to execute this Funding Loan Participant Letter and any other instruments and documents required to be executed by the Funding Loan Participant in connection with the purchase of the Funding Loan Participation. The undersigned is a duly appointed, qualified and acting officer of the Funding Loan Participant and is authorized to cause the Funding Loan Participant to make the certifications, representations and warranties contained herein by execution of this Funding Loan Participant Letter on behalf of the Funding Loan Participant.
2. The Funding Loan Participant has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the Funding Loan Participation. The Funding Loan Participant is able to bear the economic risks of such investment.
3. The Funding Loan Participant acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Funding Loan Participant has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation, the Funding Lender, the Borrower, the Guarantor, the Project, the use of proceeds of the Funding Loan and the Corporation Obligations and the security therefor so that, as a reasonable investor, the Funding Loan Participant has been able to make its decision to purchase the Funding Loan Participation. The Funding Loan Participant acknowledges that it has not relied upon the Corporation for any information in connection with the Funding Loan Participant's purchase of the Funding Loan Participation and that no offering document or other offering material has been prepared or will be prepared by or on behalf of the Corporation in connection with the Funding Loan Participant's purchase of the Funding Loan Participation.
4. The Funding Loan Participant is a bank, national bank, trust company, savings bank, savings and loan association, or any wholly-owned subsidiary thereof, as such terms are used in Section 23-c(3) of the Act, having capital and surplus of \$5,000,000,000 or more, that (i)

is also a Qualified Institutional Buyer as defined in Rule 144A of the Securities Act and (ii) is authorized to do business in the State.

5. The Funding Loan Participant acknowledges that the sale of the Funding Loan Participation to it is being made in reliance on its representations contained in this Funding Loan Participant Letter.

6. The Funding Loan Participant acknowledges that (a) the Corporation Obligations are special revenue obligations of the Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State, (b) the Corporation Obligations 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 Corporation Obligations be payable out of any funds other than those of the Corporation pledged therefor, and (c) the Corporation has no taxing power.

7. The Funding Loan Participant acknowledges that the Funding Loan Participation is for both (a) a principal amount of the Corporation Obligations of at least one million dollars (\$1,000,000) and (b) a corresponding portion of the Funding Lender's obligations under the Funding Loan Agreement.

8. The Funding Loan Participant acknowledges that, upon the occurrence of a Mortgage Assignment Event, the Funding Loan Agreement and the Corporation's obligations under the Corporation Obligations shall terminate and the Corporation Obligations shall be cancelled.

9. The Funding Loan Participant acknowledges that, from the Closing Date to but not including the Permanent Conversion Date, the Corporation shall not be in default of its obligations under the Funding Loan Agreement and the Corporation Obligations for any failure to pay principal, interest and premium, if any, and any other amounts due on the Funding Loan, as evidenced by the Corporation Obligations, as a result of a default by the Borrower of its payment obligations under the Borrower Note (regardless of whether such default constitutes a Mortgage Assignment Event), but interest shall continue to accrue (but not in excess of the Maximum Rate) on the Corporation Obligations and on any scheduled interest on the Corporation Obligations that is not paid as a result of the foregoing provision, as well as on any other amounts due on the Corporation Obligations and not paid when due, at the then applicable interest rate on the Corporation Obligations until the earlier of (i) the time that such interest is paid and (ii) the occurrence of a Mortgage Assignment Event.

10. The Funding Loan Participant understands that the Funding Loan and the Corporation Obligations (a) are not registered under the Securities Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) are not listed on any stock or other securities exchange and (c) carry no rating from any credit rating agency.

11. The Funding Loan Participant understands that there are circumstances in which the Tax Counsel Approving Opinion may no longer be relied upon and further understands that neither the Corporation nor any of its members, officers or employees shall be subject to any

liability or accountability by reason of the Corporation's, the Purchaser's, any Funding Loan Participant's or the Borrower's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), among the Corporation, the Funding Lender and [_____], as the Fiscal Agent named therein.

IN WITNESS WHEREOF, _____ has caused this Funding Loan Participant Letter to be executed by the undersigned authorized officer this __ day of _____.

_____,
as Funding Loan Participant

By _____
Name:
Title:

EXHIBIT D

FORM OF WORK-OUT CERTIFICATE

TO: NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
110 William Street, 10th Floor
New York, New York 10038

PROJECT: MEC 125 Parcel B West
New York, New York

On behalf of Citibank, N.A. (the "Funding Lender"), the undersigned, a duly authorized officer of the Funding Lender, hereby certifies that, pursuant to Section 9.2(a) of the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), among you, the Funding Lender and [_____], as the Fiscal Agent named therein, *EITHER*:

1. the Funding Lender is actively engaged in resolving the issues giving rise to the Precipitating Event, as well as cooperating with the Corporation in connection with the resolution of any default(s) continuing under the Regulatory Agreement; *OR*

2. on [date], the Funding Lender commenced foreclosure proceedings; *OR*

3. as of [date], the Funding Lender is engaged in good faith negotiations to accept a deed in lieu of foreclosure.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement

CITIBANK, N.A.,
as Funding Lender

By: _____

Name:

Title:

Date:

EXHIBIT E

FORM OF MORTGAGE ASSIGNMENT CERTIFICATE

TO: NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
110 William Street, 10th Floor
New York, New York 10038

[_____]
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Services

PROJECT: MEC 125 Parcel B West
New York, New York

On behalf of Citibank, N.A. (the "Funding Lender"), the undersigned, a duly authorized officer of the Funding Lender, hereby notifies you, pursuant to Section 9.2(b) of the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), among you and the Funding Lender, that the Servicer has declared an event of default under the Borrower Note, the Borrower Mortgage and/or any other Borrower Loan Document and the Funding Lender is hereby exercising its right to purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage. The Funding Lender intends to so purchase the Borrower Loan, the Borrower Note and the Borrower Mortgage on _____, which date is not more than 30 days nor less than 10 days following the date of this notice.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in Funding Loan Agreement

CITIBANK, N.A.,
as Funding Lender

By: _____
Name:
Title:

Date:

EXHIBIT F

FORM OF LETTER OF REPRESENTATION AND INDEMNITY AGREEMENT

December __, 2018

New York City Housing
Development Corporation
110 William Street, 10th Floor
New York, New York 10038

Citibank, N.A.
390 Greenwich Street
New York, New York 10013

Re: New York City Housing Development Corporation
Multi-Family Mortgage Revenue Debt Obligations
(MEC 125 Parcel B West) (the "Corporation Obligations")

Ladies and Gentlemen:

We have delivered this letter to you today in connection with your execution of a Funding Loan Agreement, dated as of December __, 2018 (the "Agreement"), and the issuance by the Corporation of the above-referenced Corporation Obligations evidencing its obligation under the Agreement to make the payments due on the Funding Loan, the proceeds of which will be used by the Corporation for the purpose of providing funds to finance the Borrower Loan for the construction and equipping of the Project.

Unless otherwise defined in this letter, capitalized terms used herein which are defined in the Agreement shall have the respective meanings therein specified.

In order to induce you to enter into the Agreement and the Corporation to issue the Corporation Obligations, the undersigned, MEC 125 Parcel B West Owner LLC, a New York limited liability company, MEC 125 Parcel B West LIHTC LLC, a New York limited liability company, and MEC 125 Parcel B West Commercial LLC, a New York limited liability company (jointly, severally and collectively, the "Borrower") and _____, (the "Guarantor"), hereby represent, warrant and covenant to each of you at the date hereof, that:

(a) The Borrower is duly organized, validly existing and in good standing as a limited liability company in the State of New York; the Borrower has the power and authority to own properties and to carry on its business as now contemplated to be conducted; the Borrower has full legal right, power and authority to enter into each of the Funding Loan Documents to which it is a party and this Letter of Representation and Indemnity Agreement (such Funding Loan Documents, together with this Letter of Representation and Indemnity Agreement, being referred to herein collectively as the "Borrower's Documents") and to consummate the transactions contemplated by the Borrower's Documents; and the Guarantor has the power and authority to execute and deliver each Guaranty to which it is a party and this Letter of

Representation and Indemnity Agreement and to perform its obligations thereunder and hereunder;

(b) As of the date hereof, each of the Borrower and the Guarantor has duly authorized and approved the execution and delivery of, and the performance by the Borrower and the Guarantor of its respective obligations contained in, this Letter of Representation and Indemnity Agreement and each of the other Borrower's Documents and the consummation by the Borrower of the transactions contemplated thereby;

(c) Neither the Borrower nor its members nor the Guarantor is in breach of or in default under, or has received any notice of a breach of or default under, any law, administrative regulation or ordinance applicable to it, or any applicable judgment or decree of any court having jurisdiction, and, upon the issuance of the Corporation Obligations, neither the Borrower nor its members nor the Guarantor will be in breach of or in default under any loan agreement, note, bond, resolution, certificate or other agreement or instrument to which it is a party or is otherwise subject; except, in any such case, where such breach or default shall not have, either alone or in the aggregate, a material adverse effect on (i) the business, operations, properties or condition (financial or other) of the Borrower or its members or the Guarantor or (ii) the Borrower's ability to perform its obligations hereunder or under the other Borrower's Documents or the Guarantor's ability to perform its obligations hereunder or under any Guaranty; and the execution and delivery by the Borrower of the Borrower's Documents and the performance by the Borrower of its obligations thereunder will not conflict with or constitute a breach of or default under any law or administrative regulation or any applicable judgment or decree of any court having jurisdiction, or any provision of any organizational document, loan agreement, note, bond, resolution, ordinance, certificate or other agreement or instrument to which the Borrower or its members is a party or otherwise subject; and the execution and delivery by the Guarantor hereof and of any Guaranty and the performance by the Guarantor of its obligations hereunder or under any Guaranty will not conflict with or constitute a breach of or default under any law or administrative regulation or any applicable judgment or decree of any court having jurisdiction, or any provision of any organizational document, loan agreement, note, bond, resolution, ordinance, certificate or other agreement or instrument to which the Borrower or its members or the Guarantor is a party or otherwise subject;

(d) Except as set forth in the Borrower's Documents, there are no approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Borrower of its obligations under the Borrower's Documents; and there are no approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Guarantor of its obligations hereunder or under any Guaranty; nor has the Borrower or the Guarantor received notice of the necessity of any such approval, consent or order;

(e) Each of the Borrower's Documents, when executed and delivered by the Borrower and the other respective parties thereto, if any, will constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity; and each

Guaranty and this Letter of Representation and Indemnity Agreement, when executed and delivered by the Guarantor and the other respective parties thereto, if any, will constitute a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity;

(f) No litigation of any nature is now pending or, to the knowledge of the Borrower or its members or the Guarantor, threatened against or in any way adversely affecting the existence of the Borrower or its members or the Guarantor, involving the Project in any material respect, or seeking to restrain or enjoin the issuance, execution or delivery of the Corporation Obligations, or the financing of the Funding Loan or the Borrower Loan, or the construction or equipping of the Project, or in any way contesting or affecting the validity or enforceability of the Corporation Obligations or the Borrower's Documents, or any proceedings of the Borrower taken with respect to the execution or delivery thereof, or the application of any moneys or security provided for the payment of the Corporation Obligations, or contesting the existence, powers or authority of the Borrower with respect to the Borrower's Documents or, to the knowledge of the Borrower or its members, without independent inquiry, challenging the exclusion of interest on the Corporation Obligations from gross income for federal income tax purposes; and no litigation is pending or, to the knowledge of the Borrower or its members or the Guarantor, threatened in any court in any way affecting the Guarantor that could materially adversely affect the Guarantor's ability to satisfy its obligations under each Guaranty, this Letter of Representation and Indemnity Agreement or the Commitment; and

(g) The Borrower will not take or omit to take any action which action or omission will in any way cause the interest on the Corporation Obligations to be included in gross income for federal income tax purposes.

Neither the Corporation nor any of its members, officers or employees shall be subject to any liability or accountability by reason of the Corporation's, the Funding Lender's, the Borrower's or the Guarantor's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms. The Borrower and the Guarantor agree to indemnify, hold harmless and defend the Corporation against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Corporation has consented to such settlement) and amounts paid to discharge judgments) to which the Corporation may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to the Corporation's, the Funding Lender's, the Borrower's or the Guarantor's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

To the extent it may legally do so, the Borrower and the Guarantor (each an "Indemnitor" and, collectively, the "Indemnitors") jointly and severally, absolutely and unconditionally, agrees to indemnify and hold harmless the Corporation, the Funding Lender and each person, if any, who controls the Funding Lender and each of the respective officers, members, partners and employees and agents of each of the foregoing (collectively, the "Indemnified Parties") against any and all losses, claims, damages and liabilities arising out of

(a) any breach by any Indemnitor of the representations and warranties contained in this Letter of Representation and Indemnity Agreement, (b) any action or failure to take action on the part of the Borrower or within control of the Borrower (unless such action or failure to take action is at the direction of the Corporation) with respect to the proceeds of the Funding Loan, the Corporation Obligations or the Project which adversely affects the exclusion from gross income of interest on the Corporation Obligations under Section 103(a) of the Internal Revenue Code of 1986, as amended, (c) any action or failure to take action on the part of the Borrower or within control of the Borrower (unless such action or failure to take action is at the direction of the Corporation) which adversely affects the validity of the Corporation Obligations, or (d) any Indemnified Party's inability to rely on the Tax Counsel Approving Opinion in accordance with its terms.

In case any claims shall be made or action brought against any Indemnified Party based upon the aforesaid, in respect of which indemnity may be sought against any Indemnitor or Indemnitors, such Indemnified Party shall promptly notify such Indemnitor, in writing, setting forth the particulars of such claim or action, and such Indemnitor shall assume the defense thereof including the employment of counsel (who shall be reasonably satisfactory to the Indemnified Party). Any Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but such Indemnitor shall not be required to pay the fees and expenses of such separate counsel unless the counsel is employed with the written approval and consent of such Indemnitor; provided however, if single counsel, who is representing an Indemnified Party and an Indemnitor hereunder, shall have concluded in good faith that a conflict of interest exists between or among any one or more of such parties and such Indemnitor, such parties shall have the right to retain separate counsel and to participate in the defense of any such action on its own behalf, and all costs and expenses incurred by each such party shall be borne by such Indemnitor; and further provided, if such single counsel shall have concluded in good faith that a conflict of interest exists between or among any two or more of the Indemnified Parties, each such party, with respect to which such a conflict exists, shall have the right to retain separate counsel and to participate in the defense of any such action on its own behalf, and all costs and expenses incurred by each such party shall be borne by such Indemnitor; provided that any such parties who do not have a conflict with each other shall be represented by the same counsel. If separate counsel are employed as described above, such Indemnitor and any such party agree to cooperate as may reasonably be required in order to ensure the proper and adequate defense of any such action, suit or proceeding, including, but not limited to, making available to each other, and their counsel and accountants, all books and records relating to such action, suit or proceeding, but if any such counsel reasonably determines that the rendering of such assistance will adversely affect the defense of its client, such counsel shall not be required to comply with the terms of this sentence. Notwithstanding the foregoing, each counsel selected by any Indemnified Party due to the existence of a conflict of interest as provided above shall be permitted to participate in the defense of such action provided that counsel selected by such Indemnitor shall be lead counsel ("Lead Counsel") with respect to such defense and shall (except to the extent of a conflict of interest) control such defense. It is the intent of the Indemnified Parties and each Indemnitor that any separate counsel representing any Indemnified Party use its reasonable efforts to avoid duplication of legal work undertaken by Lead Counsel to reduce fees and costs which may be due hereunder. The Indemnified Parties shall approve the terms of any settlement which affects the Indemnified Parties, except that such Indemnitor shall have the sole right to approve the amount of any financial settlement. Each Indemnitor agrees that it shall not (i) settle any claims

wherein the settlement of such claims would contain an admission of fault, guilt or wrongdoing on the part of any Indemnified Party, without the prior written consent of such Indemnified Party, or (ii) except in the case of a settlement, refrain from the appeal of any decision which is adverse to any Indemnified Party, without the consent of such Indemnified Party.

If the indemnification provided for in this Letter of Representation and Indemnity Agreement is unavailable or insufficient to hold harmless an Indemnified Party under the second preceding paragraph, then the Indemnitors, jointly and severally, shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the second preceding paragraph (i) in such proportion as is appropriate to reflect the relative benefits received by the Indemnitors, jointly and severally, on the one hand and the Funding Lender and/or the Corporation, as the case may be, on the other from the issuance of the Corporation Obligations or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnitors, jointly and severally, on the one hand and the Funding Lender and/or the Corporation, as the case may be, on the other which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Indemnitors on the one hand and the Funding Lender and/or the Corporation, as the case may be, on the other shall be deemed to be in the same proportion as the total gross proceeds from the Borrower Loan (the benefit deemed received by the Indemnitors) bear to \$ _____ (the benefit deemed received by the Funding Lender) and/or \$ _____ (the benefit deemed received by the Corporation), as the case may be. The amount paid by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this paragraph shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject of this paragraph. Notwithstanding the provisions of this paragraph, the Funding Lender shall not be required to contribute any amount in excess of \$ _____ and the Corporation shall not be required to contribute any amount in excess of \$ _____. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party under this paragraph, notify such party from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have hereunder or otherwise than under this paragraph. Nothing in this paragraph shall create an implication that the Indemnitors' liability provided for in this paragraph shall be any greater than that provided for in the second preceding paragraph, assuming the provisions described in such paragraph were held to be enforceable.

This Letter of Representation and Indemnity Agreement is made solely for the benefit of the signatories hereto (including the successors or assigns of the Funding Lender and the Corporation) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Letter of Representation and Indemnity Agreement shall survive the delivery of the Corporation Obligations.

Kindly confirm your acceptance of this Letter of Representation and Indemnity Agreement by signing and returning to the undersigned a duplicate hereof.

Very truly yours,

PARCEL B WEST MODERATE INCOME LLC,
a _____ limited liability company

By: _____,
its _____

By: _____,
its _____

By: _____
Name:
Title: Manager

EAST HARLEM MEC PARCEL B WEST LLC,
a _____ limited liability company

By: _____,
its _____

By: _____,
its _____

By: _____
Name:
Title: Manager

PARCEL B WEST LIHTC LLC,
a _____ limited liability company

By: _____,
its _____

By: _____,
its _____

By: _____,
its _____

By: _____
Name:
Title: _____

Accepted and confirmed as of the date first above written.

CITIBANK, N.A.

By: _____
Name: Michael Hershkowitz
Title: Vice President

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: _____
Name: Ellen K. Duffy
Title: Senior Vice President for
Debt Issuance and Finance

Agreed to and accepted by the undersigned additional Indemnitor:

a _____

By: _____
Name:
Title: Manager

EXHIBIT G-1

FORM OF TAX COUNSEL APPROVING OPINION
(VOLUME CAP CORPORATION OBLIGATION)

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 its Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West), Number 1, in the authorized principal amount of \$[20,500,000] (the "Corporation Obligation"), of which \$_____ principal amount (the "Currently Delivered Corporation Obligation") is being issued on the date hereof.

Portions of the Corporation Obligation (other than the Currently Delivered Corporation Obligation) are to be issued on one or more subsequent delivery dates (each, a "Subsequent Delivery Date") as amounts are drawn down under the hereinafter defined Funding Loan Agreement.

The Corporation Obligation is authorized to be issued pursuant to the Act and the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), by and among Citibank, N.A. (the "Funding Lender"), the Corporation and [_____] (the "Fiscal Agent"), approved by the Corporation by a resolution adopted November __, 2018. The Corporation Obligation is being issued for the purpose of financing the Borrower Loan (as such terms are defined in the Funding Loan Agreement).

The Corporation Obligation is dated, matures, is payable and bears interest as provided in the Funding Loan Agreement.

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

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 Borrower Loan, to provide sufficient funds therefor by the execution and delivery of the Funding Loan Agreement and the issuance of the Corporation Obligation, and to perform its obligations under the terms and conditions of the Funding Loan Agreement.

2. The Funding Loan Agreement has been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the Funding Lender and the Fiscal Agent, constitutes a valid and binding agreement of the Corporation, enforceable in accordance with its terms.

3. The Currently Delivered Corporation Obligation has been duly authorized and issued by the Corporation in accordance with the Funding Loan Agreement and the laws of the State of New York (the "State"), including the Act.

4. The Currently Delivered Corporation Obligation is a valid and legally binding special revenue obligation of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Funding Loan Agreement, is enforceable in accordance with its terms and the terms of the Funding Loan Agreement, and is entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Funding Loan Agreement.

5. The Currently Delivered Corporation Obligation is secured by a pledge in the manner and to the extent set forth in the Funding Loan Agreement. The Funding Loan Agreement creates the valid pledge of and lien on the Pledged Revenues (as defined in the Funding Loan Agreement) and all amounts held in any funds and accounts (other than the Participation Proceeds Account and the Rebate Fund) established under the Funding Loan Agreement and moneys and securities therein, which the Funding Loan Agreement purports to create, subject only to the provisions of the Funding Loan Agreement permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Funding Loan Agreement.

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

7. Under existing statutes and court decisions, (i) interest on the Currently Delivered Corporation Obligation 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 the Currently Delivered Corporation Obligation for any period during which the Currently Delivered Corporation Obligation 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 Funding Loan or a "related person," and (ii) interest on the Currently Delivered Corporation Obligation is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the

Borrower (as defined in the Funding Loan Agreement) and others in connection with the issuance of the Currently Delivered Corporation Obligation and included in said record of proceedings, and we have assumed compliance by the Corporation and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Currently Delivered Corporation Obligation from gross income under Section 103 of the Code. In addition, under existing statutes, interest on the Currently Delivered Corporation Obligation is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Not all of the Corporation Obligation will be issued on the date hereof. An obligation (or a portion thereof) is treated as issued only to the extent money is exchanged therefor. Each draw down of amounts under the Funding Loan Agreement results in an issuance of a portion of the Corporation Obligation in an equal principal amount. The issuance of each portion of the Corporation Obligation must be legally authorized by law existing on the date of the corresponding draw, when money is actually exchanged for the delivery of such portion of the Corporation Obligation, and the interest on such portion of the Corporation Obligation is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code only if such portion of the Corporation Obligation issued on a Subsequent Delivery Date qualifies for such exclusion under the law and regulations existing on such date. Thus, for example, a change in State law or Federal income tax law (or interpretations thereof) subsequent to the date hereof may adversely affect the validity of the portion of the Corporation Obligation issued on a Subsequent Delivery Date and the exclusion of interest on such portion of the Corporation Obligation from gross income for Federal income tax purposes. On each Subsequent Delivery Date, you may, however, rely upon this opinion with respect to the portion of the Corporation Obligation issued on such Subsequent Delivery Date as if such portion of the Corporation Obligation constituted the Currently Delivered Corporation Obligation on the condition that (i) we have not advised you that this opinion may no longer be relied upon, (ii) there is no adverse change in pertinent existing law or regulations or interpretations thereof, including, but not limited to, regulations, rulings and interpretations of the Internal Revenue Service, subsequent to the date of issuance of this opinion, (iii) the representations, covenants, certifications and statements referred to in the preceding paragraph remain true and accurate and are complied with, and (iv) no litigation is pending affecting the issuance, legality or validity of the Corporation Obligation or the exclusion of interest on the Corporation Obligation from gross income for Federal income tax purposes. This opinion is issued as of the date hereof, and we assume no obligation to notify you or any other person if any of the conditions stated in this paragraph have not been met.

We express no opinion regarding any other Federal, state or local tax consequences with respect to the Currently Delivered Corporation Obligation; nor do we express any opinion regarding any Federal, state or local tax consequences with respect to any payment of interest on the Currently Delivered Corporation Obligation (a) with amounts made available therefor by the Funding Lender (other than capitalized interest included in the Funding Loan), or (b) on and after the first date (if any) on which all or a portion of any payment of interest on the Currently Delivered Corporation Obligation is not actually paid in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update our opinion after the date hereof 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 Currently Delivered Corporation Obligation, or the exemption from personal income taxes of interest on the Currently Delivered Corporation Obligation 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 Currently Delivered Corporation Obligation and the Funding Loan Agreement 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 the executed Corporation Obligation and in our opinion the form of said Corporation Obligation and its execution are regular and proper.

Very truly yours,

EXHIBIT G-2

FORM OF SUPPLEMENTAL OPINION OF TAX COUNSEL
(VOLUME CAP CORPORATION OBLIGATION)

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

CITIBANK, N.A.
as the Funding Lender named in
the Funding Loan Agreement,
dated December __, 2018
390 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

We are Bond Counsel to the New York City Housing Development Corporation (the "Corporation") and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West) in the authorized principal amount of \$[20,500,000](the "Corporation Obligation"), of which \$ _____ principal amount (the "Currently Delivered Corporation Obligation") is being issued on the date hereof pursuant to the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), by and among Citibank, N.A. (the "Funding Lender"), the Corporation and [_____], approved by the Corporation by a resolution adopted November __, 2018. The Opinion is being rendered in connection with the delivery, on the date hereof, of the Currently Delivered Corporation Obligation to the Funding Lender.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization and issuance of the Corporation Obligation, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Funding Loan Agreement and were present at various meetings in connection therewith.

We are of the opinion that the Currently Delivered Corporation Obligation is not subject to the registration requirements of the Securities Act of 1933, as amended, and the Funding Loan Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

Portions of the Corporation Obligation (other than the Currently Delivered Corporation Obligation) are to be issued on one or more subsequent delivery dates (each, a "Subsequent Delivery Date") as amounts are drawn down under the Funding Loan Agreement.

Not all of the Corporation Obligation will be issued on the date hereof. An obligation (or a portion thereof) is treated as issued only to the extent money is exchanged

therefor. Each draw down of amounts under the Funding Loan Agreement results in an issuance of a portion of the Corporation Obligation in an equal principal amount. The issuance of each portion of the Corporation Obligation must be legally authorized by law existing on the date of the corresponding draw, when money is actually exchanged for the delivery of such portion of the Corporation Obligation, and the matters opined to above must be determined as of such date. Thus, for example, a change in State or Federal law (or interpretations thereof) subsequent to the date hereof may adversely affect the validity of the portion of the Corporation Obligation issued on a Subsequent Delivery Date, or such portion not being subject to said registration requirements, or said exemption with respect to the Funding Loan Agreement. On each Subsequent Delivery Date, you may, however, rely upon this opinion with respect to the portion of the Corporation Obligation issued on such Subsequent Delivery Date as if such portion of the Corporation Obligation constituted the Currently Delivered Corporation Obligation on the condition that (i) we have not advised you that this opinion may no longer be relied upon, (ii) there is no adverse change in pertinent existing law or regulations or interpretations thereof subsequent to the date of issuance of this opinion, and (iii) no litigation is pending affecting the issuance, legality or validity of the Corporation Obligation. This opinion is issued as of the date hereof, and we assume no obligation to notify you or any other person if any of the conditions stated in this paragraph have not been met.

Very truly yours,

EXHIBIT G-3

FORM OF TAX COUNSEL APPROVING OPINION
(RECYCLING CORPORATION OBLIGATION)

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 its Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West), Number 2, in the authorized principal amount of \$[30,000,000] (the "Corporation Obligation"), of which \$ _____ principal amount (the "Currently Delivered Corporation Obligation") is being issued on the date hereof.

The Corporation Obligation is authorized to be issued pursuant to the Act and the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), by and among Citibank, N.A. (the "Funding Lender"), the Corporation and [_____] (the "Fiscal Agent"), approved by the Corporation by a resolution adopted November __, 2018. The Corporation Obligation is being issued for the purpose of financing the Borrower Loan (as such terms are defined in the Funding Loan Agreement).

The Corporation Obligation is dated, matures, is payable and bears interest as provided in the Funding Loan Agreement.

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

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

8. 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 Borrower Loan, to provide sufficient funds therefor by the execution and delivery of the Funding Loan Agreement and the issuance of the Corporation Obligation, and to perform its obligations under the terms and conditions of the Funding Loan Agreement.

9. The Funding Loan Agreement has been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the Funding Lender and the Fiscal Agent, constitutes a valid and binding agreement of the Corporation, enforceable in accordance with its terms.

10. The Currently Delivered Corporation Obligation has been duly authorized and issued by the Corporation in accordance with the Funding Loan Agreement and the laws of the State of New York (the "State"), including the Act.

11. The Currently Delivered Corporation Obligation is a valid and legally binding special revenue obligation of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Funding Loan Agreement, is enforceable in accordance with its terms and the terms of the Funding Loan Agreement, and is entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Funding Loan Agreement.

12. The Currently Delivered Corporation Obligation is secured by a pledge in the manner and to the extent set forth in the Funding Loan Agreement. The Funding Loan Agreement creates the valid pledge of and lien on the Pledged Revenues (as defined in the Funding Loan Agreement) and all amounts held in any funds and accounts (other than the Participation Proceeds Account and the Rebate Fund) established under the Funding Loan Agreement and moneys and securities therein, which the Funding Loan Agreement purports to create, subject only to the provisions of the Funding Loan Agreement permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Funding Loan Agreement.

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

14. Under existing statutes and court decisions, (i) interest on the Currently Delivered Corporation Obligation 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 the Currently Delivered Corporation Obligation for any period during which the Currently Delivered Corporation Obligation 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 Funding Loan or a "related person," and (ii) interest on the Currently Delivered Corporation Obligation is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Borrower (as defined in the Funding Loan Agreement) and others in connection with the issuance of the Currently Delivered Corporation Obligation and included in said record of proceedings, and we have assumed compliance by the Corporation and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Currently Delivered Corporation Obligation from gross income under Section 103

of the Code. In addition, under existing statutes, interest on the Currently Delivered Corporation Obligation is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Currently Delivered Corporation Obligation and the Funding Loan Agreement 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 the executed Corporation Obligation and in our opinion the form of said Corporation Obligation and its execution are regular and proper.

Very truly yours,

EXHIBIT G-4

FORM OF SUPPLEMENTAL OPINION OF TAX COUNSEL
(RECYCLING CORPORATION OBLIGATION)

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

CITIBANK, N.A.
as the Funding Lender named in
the Funding Loan Agreement,
dated December __, 2018
390 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

We are Bond Counsel to the New York City Housing Development Corporation (the "Corporation") and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's Multi-Family Mortgage Revenue Debt Obligation (MEC 125 Parcel B West) in the authorized principal amount of \$[30,000,000] (the "Corporation Obligation"), of which \$_____ principal amount (the "Currently Delivered Corporation Obligation") is being issued on the date hereof pursuant to the Funding Loan Agreement, dated as of December __, 2018 (the "Funding Loan Agreement"), by and among Citibank, N.A. (the "Funding Lender"), the Corporation and [_____], approved by the Corporation by a resolution adopted November __, 2018. The Opinion is being rendered in connection with the delivery, on the date hereof, of the Currently Delivered Corporation Obligation to the Funding Lender.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization and issuance of the Corporation Obligation, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Funding Loan Agreement and were present at various meetings in connection therewith.

We are of the opinion that the Currently Delivered Corporation Obligation is not subject to the registration requirements of the Securities Act of 1933, as amended, and the Funding Loan Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

EXHIBIT H
EXECUTED COPY OF BORROWER NOTE