

**DORMITORY AUTHORITY OF THE STATE  
OF NEW YORK**

**SUBORDINATE SUPPLEMENTAL RESOLUTION**

**supplementing the**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
STATE PERSONAL INCOME TAX REVENUE BONDS  
(GENERAL PURPOSE)  
GENERAL BOND RESOLUTION  
ADOPTED ON APRIL 29, 2009**

**to provide for the authorization and issuance of Subordinated Indebtedness**

**Adopted April 8, 2020**

**TABLE OF CONTENTS**

Page

**ARTICLE I  
DEFINITIONS AND STATUTORY AUTHORITY**

Section 101. Supplemental Resolution 2020-1 .....1  
Section 102. Definitions.....1  
Section 103. Subordinated Indebtedness Standard Resolution Provisions .....2  
Section 104. Authority for this Subordinated Indebtedness Resolution .....2  
Section 105. Subordinated Indebtedness Resolution to Constitute Contract.....2

**ARTICLE II  
AUTHORIZATION AND ISSUANCE OF BONDS**

Section 201. Authorization of Bonds .....3

**ARTICLE III  
FORM OF BONDS**

Section 301. Form of Bonds .....4

**ARTICLE IV  
REDEMPTION**

Section 401. Redemption .....5

**ARTICLE V  
ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

Section 501. The Pledge Effected by the Resolution .....6  
Section 502. Establishment of Funds .....6  
Section 503. Subordinated Indebtedness Revenue Fund .....6  
Section 504. Subordinated Indebtedness Debt Service Fund .....7  
Section 505. Subordinated Indebtedness Rebate Fund .....7  
Section 506. Subordinated Indebtedness Bond Proceeds Fund .....8  
Section 507. Application of Moneys in the Subordinated Indebtedness Debt Service  
Fund for Redemption of Bonds and Satisfaction of Sinking Fund  
Installments .....9  
Section 508. Subordinated Indebtedness Administrative Fund .....9  
Section 509. Reserved.....10  
Section 510. Transfer of Investments.....10

**ARTICLE VI  
PARTICULAR COVENANTS OF THE ISSUER**

Section 601. Power to Issue Bonds and Effect Pledge.....11

Section 602. Compliance with Laws.....11

ARTICLE VII  
MISCELLANEOUS

Section 701. Notices.....12  
Section 702. Authority to Deliver this Subordinated Indebtedness Resolution.....12  
Section 703. When Effective.....12

Annex A Subordinated Indebtedness Standard Resolution Provisions  
Exhibit One Form of Bonds

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**SUBORDINATE SUPPLEMENTAL RESOLUTION  
SUPPLEMENTING THE STATE PERSONAL INCOME TAX REVENUE BONDS  
(GENERAL PURPOSE)  
GENERAL BOND RESOLUTION TO PROVIDE FOR THE  
AUTHORIZATION AND ISSUANCE OF SUBORDINATED INDEBTEDNESS**

**BE IT RESOLVED BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK AS FOLLOWS:**

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section 101. Subordinate Supplemental Resolution.** This Subordinate Supplemental Resolution Providing for the Authorization and Issuance of Subordinated Indebtedness is supplemental to and constitutes a Supplemental Resolution within the meaning of and is adopted in accordance with Article A-IX of the resolution adopted by the Authority on April 29, 2009 entitled “State Personal Income Tax Revenue Bonds (General Purpose) General Bond Resolution” referred to herein as the “Resolution.”

**Section 102. Definitions.**

(a) All of the terms which are defined in Section 1.01 of the Resolution and Article A-1 of Annex A of the Resolution, unless otherwise defined herein or in Annex A to this Subordinated Indebtedness Resolution, shall have the same meanings, respectively in this Subordinated Indebtedness Resolution as such terms are given therein.

(b) In addition, as used in this Subordinated Indebtedness Resolution, unless a different meaning clearly appears from the context, the following words shall have the following respective meanings:

“Acts” means the Issuer Act and the Enabling Act.

“Bond” or “Bonds” means any of the bonds or notes of the Issuer authorized and issued pursuant to this Subordinated Indebtedness Resolution and a Subordinated Indebtedness Supplemental Resolution authorized by this Subordinated Indebtedness Resolution.

“Enabling Act” means Article 5-c of the State Finance Law, Chapter 56 of the Consolidated Laws of the State and Chapter \_\_ of the Laws of 2020 of the State constituting Section 54 of the Urban Development Corporation Act (being Section 1 of Chapter 174 of the Laws of 1968, as amended), as the same may be amended from time to time.

“Issuer Act” means the Dormitory Authority Act, (being Chapter 524 of the Laws of 1944 of the State, as the same may be amended from time to time, and constituting Title 4 of Article 8 of the Public Authorities Law), together with any other provision of State law relating to the authorization or financing of Costs of a Project.

“Subordinated Indebtedness Administrative Fund” means the Fund designated as the Subordinated Indebtedness Administrative Fund established in Section 502 hereof.

“Subordinated Indebtedness Bond Proceeds Fund” means the Fund designated as the Subordinated Indebtedness Bond Proceeds Fund established in Section 502 hereof.

“Subordinated Indebtedness Costs of Issuance Account” means the account within the Subordinated Indebtedness Bond Proceeds Fund so designated, created and established pursuant to Section 502 hereof.

“Subordinated Indebtedness Debt Service Fund” means the Fund designated as the Subordinated Indebtedness Debt Service Fund established in Section 502 hereof.

“Subordinated Indebtedness Rebate Fund” means the Fund designated as the Subordinated Indebtedness Rebate Fund established in Section 502 hereof.

“Subordinated Indebtedness Resolution” means this Subordinated Supplemental Resolution, supplementing the Resolution to provide for the authorization and issuance of Subordinated Indebtedness, as from time to time amended or supplemented by Subordinated Indebtedness Supplemental Resolutions in accordance with the terms and provisions of the Resolution and this Subordinated Indebtedness Resolution.

“Subordinated Indebtedness Revenue Fund” means the Fund designated as the Subordinated Indebtedness Revenue Fund established in Section 502 hereof.

**Section 103. Subordinated Indebtedness Standard Resolution Provisions.**

Except as otherwise specifically provided herein, by Subordinated Indebtedness Supplemental Resolution or by Section A 102, the Subordinated Indebtedness Standard Resolution Provisions appended hereto as Annex A constitute an integral part of this Subordinated Indebtedness Resolution and have the same force and effect as if set forth in the forepart of this Subordinated Indebtedness Resolution.

**Section 104. Authority for this Subordinated Indebtedness Resolution.**

This Subordinated Indebtedness Resolution is adopted pursuant to the provisions of the Enabling Act and to the extent the same is applicable, the Issuer Act.

**Section 105. Subordinated Indebtedness Resolution to Constitute Contract.**

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution, as supplemented by this Subordinated Indebtedness Resolution, shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds; and the pledge made in this Subordinated Indebtedness Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds, over any other thereof except as expressly provided in or permitted by this Subordinated Indebtedness Resolution;. provided, however,, the pledge made in this Subordinated Indebtedness Resolution is subject to and subordinate to the pledge and lien upon the Pledged Property (as such term is defined in the Resolution) as security for the payment of the principal, sinking fund installments, if any, and redemption price of and interest on the Senior Bonds and the Senior Parity Reimbursement Obligations.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** This Subordinated Indebtedness Resolution authorizes one or more Series of Bonds of the Issuer for an Authorized Purpose to be designated as “State Subordinate Personal Income Tax Revenue Bonds (General Purpose)” or “State Subordinate Personal Income Tax Revenue Bond Anticipation Notes (General Purpose)” and creates a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, all the Bonds, which pledge and lien is subject to and subordinate to the pledge and lien on the Pledged Property securing the Senior Bonds and the Senior Parity Reimbursement Obligations. The Bonds shall be special obligations of the Issuer secured by the pledge effected pursuant to Section A-501 of this Subordinated Indebtedness Resolution and are payable solely out of the Subordinated Indebtedness Pledged Property, without recourse against any other assets, revenues or funds of or other payments due to the Issuer. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Subordinated Indebtedness Resolution is not limited except as provided in the Resolution or this Subordinated Indebtedness Resolution or as limited by law.

The Bonds shall not be a debt of the State, and the State shall not be liable thereon, nor shall they be payable out of any funds other than those pledged therefor pursuant to this Subordinated Indebtedness Resolution.

The Bonds may, if and when authorized by the Issuer pursuant to one or more Subordinated Indebtedness Supplemental Resolutions hereunder, be issued in one or more Series, and the designation thereof, in addition to the name “State Subordinate Personal Income Tax Revenue Bonds (General Purpose),” or “State Subordinate Personal Income Tax Revenue Bond Anticipation Notes (General Purpose),” shall include such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Issuer may determine; provided that with respect to any Bond denominated as a bond anticipation note, tax anticipation note, revenue anticipation note, capital lease or other form of obligation, the Issuer may denominate such obligation as other than a “Bond”. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Nothing contained herein shall be deemed to preclude or restrict the consolidation pursuant to one or more Subordinated Indebtedness Supplemental Resolutions of any Bonds of any two or more separate Series authorized pursuant hereto and to any such Subordinated Indebtedness Supplemental Resolutions to be issued pursuant to any of the provisions of Sections A-201 and A-202 into a single Series of Bonds for purposes of sale and issuance; provided, however, that each of the tests, conditions and other requirements contained in Sections A-201, A-202, and A-203 as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this Section or in such Subordinated Indebtedness Supplemental Resolutions, such a consolidated Series shall be treated as a single Series of Bonds for all purposes hereof.

Issuance of the Bonds shall be governed by the provisions of Article-A II of this Subordinated Indebtedness Resolution.

## ARTICLE III

### FORM OF BONDS

**Section 301. Form of Bonds.** Subject to the provisions of this Subordinated Indebtedness Resolution and except as otherwise provided pursuant to a Subordinated Indebtedness Supplemental Resolution, each Series of Bonds shall be issued as fully registered securities in substantially the form provided in Exhibit One. Any Authorized Officer of the Issuer executing and delivering any such Bonds may make such changes in the form thereof as deemed necessary or convenient by such Authorized Officer, including changes to conform with (i) the terms of sales, (ii) the provisions of the related Subordinated Indebtedness Supplemental Resolution, (iii) the requirements of the related Securities Depository, provider of a Subordinated Indebtedness Credit Facility or Rating Agency, (iv) industry practice or (v) federal or State regulatory requirements, and the execution (whether manual or by facsimile) and delivery of any such obligations shall be conclusive evidence of the approval of all terms thereof by such Authorized Officer.

## ARTICLE IV

### REDEMPTION

**Section 401. Redemption.** Bonds of a Series subject to redemption prior to maturity pursuant hereto or to a Subordinated Indebtedness Supplemental Resolution or Certificate of Determination shall be redeemable in accordance with Article A-IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein, in the Bonds or in the Subordinated Indebtedness Supplemental Resolution authorizing such Series or the related Certificate of Determination.

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## ARTICLE V

### ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

#### **Section 501. The Pledge Effected by the Resolution.**

The Bonds are special obligations of the Issuer payable solely from the sources set forth in Section A-501.

**Section 502. Establishment of Funds.** The following Funds, which shall be held and administered by the Trustee, except for the Subordinated Indebtedness Bond Proceeds Fund which at the discretion of the Issuer may be held and administered by the Issuer, are hereby established. Each of such Funds and accounts shall have as a prefix “Dormitory Authority of the State of New York Subordinate State Personal Income Tax Revenue Bonds (General Purpose)”:

1. Subordinated Indebtedness Revenue Fund,
2. Subordinated Indebtedness Debt Service Fund,
3. Subordinated Indebtedness Rebate Fund,
4. Subordinated Indebtedness Bond Proceeds Fund,
5. Subordinated Indebtedness Administrative Fund,

Additional Funds, or accounts and subaccounts within each of the foregoing Funds may from time to time be established in accordance with a Subordinated Indebtedness Supplemental Resolution, Certificate of Determination or upon the direction of the Issuer evidenced by a certificate of an Authorized Officer of the Issuer. Except as otherwise provided in a Subordinated Indebtedness Supplemental Resolution, all moneys at any time deposited in any Fund and account created hereby (other than the Subordinated Indebtedness Rebate Fund), including in any fund or account established to effect an economic defeasance of any Bonds hereunder, shall be held in trust separate and apart from all other funds by the Issuer or Trustee, as appropriate, for the benefit of the Holders of each Series of Bonds.

#### **Section 503. Subordinated Indebtedness Revenue Fund.**

1. There shall be deposited promptly upon receipt by the Trustee to the credit of the Subordinated Indebtedness Revenue Fund all Subordinated Indebtedness Revenues.
2. Subordinated Indebtedness Financing Agreement Payments together with any other Subordinated Indebtedness Pledged Property deposited in the Subordinated Indebtedness Revenue Fund, shall be applied to the Funds and accounts established hereunder consistent with the requirements set forth in the Financing Agreement; provided, however, that if the amount of any such payment, together with other Subordinated Indebtedness Pledged Property deposited in the Subordinated Indebtedness Revenue Fund, is less than the amount certified, the payment shall be applied in the amounts certified, first, to the Subordinated Indebtedness Debt Service Fund, second, to the Subordinated Indebtedness Rebate Fund, and third, to the Subordinated Indebtedness Administrative Fund; provided, however, that so long as the total amount held in the Subordinated Indebtedness Debt Service Fund shall be sufficient to fully pay all Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligations (including Principal or applicable Redemption Price of and interest on such Bonds) in

accordance with their terms, no deposits shall be required to be made into the Subordinated Indebtedness Debt Service Fund.

**Section 504. Subordinated Indebtedness Debt Service Fund.**

1. In addition to the moneys allocated from the Subordinated Indebtedness Revenue Fund pursuant to Section 503 hereof, the Trustee shall deposit into the Subordinated Indebtedness Debt Service Fund such portion of the proceeds of the sale of Bonds of any Series, if any, as shall be prescribed in the Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination.

2. The Trustee shall on or before each Interest Payment Date, Redemption Date or other payment date, as the case may be, withdraw and pay from the Subordinated Indebtedness Debt Service Fund:

- (A) The interest due on all Outstanding Bonds on such Interest Payment Date;
- (B) The Principal Installments due on all Outstanding Bonds on such Interest Payment Date;
- (C) The Sinking Fund Installments, if any, due on all Outstanding Bonds on such Interest Payment Date;
- (D) The Redemption Price due on all Outstanding Bonds on any Redemption Date in accordance with Section 507 hereof; and
- (E) Amounts due with respect to Subordinated Indebtedness Parity Reimbursement Obligations.

Except as otherwise provided in a Subordinated Indebtedness Supplemental Resolution, the amounts paid out to any Paying Agent pursuant to this Section remain irrevocably pledged until, and shall be, applied to such payments.

3. In the event of the refunding of any Bonds, the Trustee shall, upon the direction of the Issuer, withdraw from the Subordinated Indebtedness Debt Service Fund all or any portion of the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee or any other fiduciary selected by the Issuer to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Subordinate Bond Resolution, and (ii) the amount remaining in the Subordinated Indebtedness Debt Service Fund shall be not less than the amount needed to pay the Debt Service on all Outstanding Bonds accrued through such date.

4. Investment income on amounts in the Subordinated Indebtedness Debt Service Fund shall be retained in such Fund or, upon direction of an Authorized Officer of the Issuer, shall be transferred to the Subordinated Indebtedness Rebate Fund or, with the concurrence of the Director of the Budget, to the Subordinated Indebtedness Bond Proceeds Fund.

**Section 505. Subordinated Indebtedness Rebate Fund.** The Trustee shall deposit to the Subordinated Indebtedness Rebate Fund any moneys delivered to it by the State for deposit therein and, notwithstanding any other provisions of this Article V, shall transfer to the Subordinated

Indebtedness Rebate Fund in accordance with the directions of an Authorized Officer of the Issuer, moneys on deposit in any other Funds held by the Trustee hereunder at such times and in such amounts as shall be set forth in such directions. Moneys on deposit in the Subordinated Indebtedness Rebate Fund shall be applied by the Trustee, in accordance with the direction of the Issuer, to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Issuer shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate, if any, delivered in connection with each Series of Bonds. Moneys which the Issuer determines to be in excess of the amount required to be so rebated shall be deposited to the Subordinated Indebtedness Revenue Fund.

If and to the extent required by the Code or an Arbitrage and Use of Proceeds Certificate, the Issuer shall periodically, at such times as may be required to comply with the Code, determine the Rebate Amount with respect to each Series of Bonds and transfer from any other Fund or account held hereunder and deposit to the Subordinated Indebtedness Rebate Fund all or a portion of the Rebate Amount with respect to such Series of Bonds and pay out of the Subordinated Indebtedness Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

**Section 506. Subordinated Indebtedness Bond Proceeds Fund.** Except as otherwise provided in a Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination, the Issuer or the Trustee at the direction of the Issuer shall deposit into the Subordinated Indebtedness Bond Proceeds Fund the proceeds of sale of each Series of Bonds, unless otherwise required to be deposited into and held in the Subordinated Indebtedness Debt Service Fund, to enable the Issuer to comply with the conditions precedent to the issuance of any Bonds.

Except as may be otherwise provided in a Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination, amounts in the Subordinated Indebtedness Bond Proceeds Fund shall be applied by the Issuer from time to time for any of the purposes for which revenue bonds may be issued pursuant to paragraphs (a) and (b) of subdivision one of Section 68-b through the payment of Costs of a Project, including the financing or refinancing of expenditures of the State described in paragraph (c) of subdivision 1 of Section 54 of the Urban Development Corporation Act, consistent with terms of any Requisition.

Whenever the Issuer shall determine and the Director of the Budget shall agree that the amount on deposit to the credit of the Subordinated Indebtedness Bond Proceeds Fund is in excess of its requirements for the purposes for which amounts in such Fund may be used as permitted by law, such excess amount shall be withdrawn therefrom and deposited into the Subordinated Indebtedness Revenue Fund. Notwithstanding the foregoing, amounts in the Subordinated Indebtedness Bond Proceeds Fund may be applied to the payment of Principal Installments and interest on the applicable Series of Bonds and of Subordinated Indebtedness Parity Reimbursement Obligations when due, and to the extent that other moneys are not available therefor, amounts in the Subordinated Indebtedness Bond Proceeds Fund may be applied to the payment of Principal Installments and interest on the Bonds and of Subordinated Indebtedness Parity Reimbursement Obligations when due.

Except as otherwise provided in this Subordinated Indebtedness Resolution or a Subordinated Indebtedness Supplemental Resolution, investment income on amounts in the Subordinated Indebtedness Bond Proceeds Fund from proceeds of a Series of Bonds shall be transferred to the Subordinated Indebtedness Revenue Fund, or, upon the direction of an Authorized Officer of the Issuer, shall be transferred to the Subordinated Indebtedness Rebate Fund, or with the concurrence of the

Director of the Budget, shall be retained in the Subordinated Indebtedness Bond Proceeds Fund or transferred to the Subordinated Indebtedness Debt Service Fund.

**Section 507. Application of Moneys in the Subordinated Indebtedness Debt Service Fund for Redemption of Bonds and Satisfaction of Sinking Fund Installments.**

1. Moneys delivered to the Trustee, which by the provisions of the Resolution and this Subordinated Indebtedness Resolution are to be applied for redemption of Bonds, shall upon receipt by the Trustee be deposited to the credit of the Subordinated Indebtedness Debt Service Fund for such purpose to the extent not otherwise provided pursuant to a Subordinated Indebtedness Supplemental Resolution.

2. Moneys in the Subordinated Indebtedness Debt Service Fund to be used for redemption of Bonds of a Series may be applied by the Issuer to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Issuer shall direct.

3. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption, except Bonds acquired by purchase or redemption pursuant to the provisions of subsection 2 of this Section, of the maturity and interest rate entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds. Concurrently with such delivery of such Bonds the Issuer shall deliver to the Trustee a certificate of an Authorized Officer of the Issuer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered, (iii) the aggregate principal amount of the Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Bonds.

4. The Trustee shall, in the manner provided in Article A IV of this Subordinated Indebtedness Resolution, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

5. Notwithstanding the provisions of subsection 2 of this Section, if the amount in the Subordinated Indebtedness Debt Service Fund at any time (other than moneys required to pay the Redemption Price of any Outstanding Bonds of a Series theretofore called for redemption or to pay the purchase price of such Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the Redemption Date or purchase date) is sufficient to make provision pursuant to subdivision 2 of Section A-1104 for the payment of such Outstanding Bonds at the maturity or Redemption Date thereof, the Issuer may request the Trustee to take such action consistent with subdivision 2 of Section A-1104 as is required thereby to deem such Bonds to have been paid within the meaning of Section A-1104. The Trustee, upon receipt of such request and irrevocable instructions of the Issuer to purchase Government Obligations sufficient to make any deposit required thereby, shall comply with such request.

**Section 508. Subordinated Indebtedness Administrative Fund.** Amounts in the Subordinated Indebtedness Administrative Fund shall be paid out from time to time by the Trustee at the

request of the Issuer for reasonable and necessary Subordinated Indebtedness Issuer Expenses, free and clear of the lien and pledge created by the Resolution and this Subordinated Indebtedness Resolution.

Amounts in the Subordinated Indebtedness Administrative Fund being held for Subordinated Indebtedness Issuer Expenses, the payment of which is not immediately required may in the discretion of the Issuer be invested in Investment Obligations. The Issuer may by written instruction to the Trustee sell any such investments at any time and the proceeds of such sale and of all payments at maturity or upon redemption of such investments shall be held in the Subordinated Indebtedness Administrative Fund. Whenever the Subordinated Indebtedness Administrative Fund exceeds the amount reasonable and necessary for Subordinated Indebtedness Issuer Expenses, the Issuer shall direct the Trustee to pay the excess to the Subordinated Indebtedness Revenue Fund.

Investment income on amounts in the Subordinated Indebtedness Administrative Fund shall be deposited into the Subordinated Indebtedness Revenue Fund.

**Section 509. Reserved.**

**Section 510. Transfer of Investments.** Whenever moneys in any Fund or account established hereunder or under any Subordinated Indebtedness Supplemental Resolution are to be paid in accordance herewith to another such Fund or account, such payment may be made, in whole or in part, by transferring to such other Fund or account investments held as part of the Fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made, provided that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such Fund or account.

## ARTICLE VI

### PARTICULAR COVENANTS OF THE ISSUER

**Section 601. Power to Issue Bonds and Effect Pledge.** The Issuer is duly authorized under all applicable laws to create and issue the Bonds, adopt the Resolution and this Subordinated Indebtedness Resolution and pledge the Subordinated Indebtedness Pledged Property in the manner and to the extent provided in the Resolution and this Subordinated Indebtedness Resolution. The pledge of and lien upon the Subordinate Indebtedness Pledged Property are subject to and subordinate to the pledge of and lien upon the Pledged Property and the Financing Agreement Payments (as such terms are defined in the Resolution) as security for the payment of the principal, sinking fund installments, if any, and redemption price of and interest on the Senior Bonds and the Senior Parity Reimbursement Obligations, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of this Subordinated Indebtedness Resolution are and will be the legally valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution and this Subordinated Indebtedness Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Subordinated Indebtedness Pledged Property and all the rights of the Holders of Bonds and other obligations under this Subordinated Indebtedness Resolution against all claims and demands of all Persons whomsoever.

**Section 602. Compliance with Laws.** The Issuer shall, at all times, comply with the obligations of the Issuer contained in the Financing Agreements and shall use its best efforts, to the extent permitted by law, to require the State to comply with its obligations as set forth therein including, without limitation, the obligation to make all Financing Agreement Payments as the same shall become due and payable.

## ARTICLE VII

### MISCELLANEOUS

**Section 701. Notices.** Except as otherwise provided herein, any notices, directions, instructions or other instruments required to be given or delivered pursuant hereto or to any Subordinated Indebtedness Supplemental Resolution shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Issuer, to it to the attention of the Issuer's President, at 515 Broadway, Albany, New York 12207, with a copy to the General Counsel; in the case of the Paying Agent or the Trustee, addressed to it at the office of the Paying Agent or the Trustee at the address designated in writing by the Paying Agent or by the Trustee, as the case may be; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

**Section 702. Authority to Deliver this Subordinated Indebtedness Resolution.** An Authorized Officer of the Authority is hereby authorized and directed to deliver this Subordinated Indebtedness Resolution with such changes, insertions and omissions as may be approved by such Authorized Officer, such delivery being conclusive evidence of such approval; and provided, however, such changes, insertions and omissions shall not conflict with the provisions of the Resolution and shall be necessary to effectuate the intent of this Subordinated Indebtedness Resolution.

**Section 703. When Effective.** This Subordinated Indebtedness Resolution shall become effective immediately upon the filing with the Trustee of a copy of this Subordinated Indebtedness Resolution certified by an Authorized Officer of the Authority.

**EXHIBIT ONE**  
**FORM OF BONDS**

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**FORM OF BONDS**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Resolution.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
 SUBORDINATE STATE PERSONAL INCOME TAX REVENUE BOND  
 (GENERAL PURPOSE)  
 SERIES \_\_\_\_\_

REGISTERED NO. \_\_\_\_\_ DOLLARS \$ \_\_\_\_\_

| INTEREST RATE | MATURITY DATE | DATED DATE | CUSIP |
|---------------|---------------|------------|-------|
| %             |               |            |       |

Registered Holder: \_\_\_\_\_

Principal Sum: \_\_\_\_\_

DORMITORY AUTHORITY OF THE STATE OF NEW YORK (herein called the “Issuer”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Holder stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Subordinated Indebtedness Pledged Property defined below, upon presentation and surrender of this Bond at the office or agency of the Issuer designated for such payment in the Borough of Manhattan, City and State of New York, or, at the option of the Registered Holder hereof, at any other office or agency of the Issuer designated by the Issuer for such payment, the Principal Sum set forth above 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 and to pay the Registered Holder hereof interest on such Principal Sum, such payment to be made by \_\_\_\_\_, as Paying Agent, from the Dated Date set forth above or such later date to which interest has been paid, at the Interest Rate per annum set forth above, payable on \_\_\_\_\_, and \_\_\_\_\_ thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_ in each year, until the Issuer’s obligation with respect to the payment of such Principal Sum shall be discharged. Interest on the Series \_\_\_\_ Bonds shall be computed on the basis of \_\_\_\_\_. Interest will be paid by check mailed on the interest payment

date by the Paying Agent to the Registered Holder at his address as it appears on the registration records or, at the option of any Holder of at least one million dollars (\$1,000,000) in principal amount of the Series \_\_\_\_ Bonds, by wire transfer in immediately available funds on each interest payment date to such Holder, provided such Holder has notified the Trustee (as hereinafter defined) in writing of such Holder's wire transfer address (which shall be in the continental United States) at least 15 days prior to the relevant payment date. In the event that any payment date is not a business day, payment will be made on the next business day with the same force and effect as if made on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.

This Bond is one of a duly authorized issue of bonds of the Issuer designated as its "State Subordinate Personal Income Tax Revenue Bonds (General Purpose)" (herein called the "Bonds") issued under and pursuant to the provisions of the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State of New York, as amended, and constituting Title 4 of Article 8 of the Public Authorities Law (the "Issuer Act"), Article 5 c of the State Finance Law, Chapter 5 of the Consolidated Laws of the State of New York, as amended and Chapter \_\_ of the Laws of 2020 and constituting Section 54 of the Urban Development Corporation Act (being Section 1 of Chapter 174 of the Laws of 1968 of the State, as amended) (the "Enabling Act", which together with the Issuer Act are referred to herein as the "Acts"), and under and pursuant to a resolution of the Issuer adopted on April 29, 2009, entitled "State Personal Income Tax Revenue Bonds (General Purpose) General Bond Resolution", as supplemented, including as supplemented by the Subordinate Supplemental Resolution, adopted on April 8, 2020 (herein referred to as the "Subordinated Indebtedness Resolution"), as further supplemented by \_\_\_\_\_. Said resolution, as supplemented and amended, is herein called the "Resolutions". This Bond is one of a series of Bonds designated as Subordinated "State Subordinate Personal Income Tax Revenue Bonds (General Purpose), Series \_\_\_\_" (herein called the "Series \_\_ Bonds"), issued in the aggregate principal amount of \$\_\_\_\_ under said Resolutions. All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Subordinated Indebtedness Resolution.

**THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK, AND THE STATE SHALL NOT BE LIABLE THEREON. THE ISSUER'S LIABILITY ON THIS BOND IS LIMITED TO PAYMENT FROM THE SOURCES DESCRIBED IN THE Subordinated Indebtedness Resolution.**

Copies of the Resolution and the Subordinated Indebtedness Resolution are on file at the office of the Issuer and at the principal corporate trust office of \_\_\_\_\_, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the "Trustee"), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Acts is hereby made for a complete description of the pledge and covenants securing the Series \_\_\_\_ Bonds, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series \_\_\_\_ Bonds with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

The revenues, facilities, properties and any and all other assets of the Issuer or of any subsidiary thereof, other than the Subordinated Indebtedness Pledged Property, shall not be used for, or as a result of any court proceeding or otherwise, applied to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price, of and interest on the Bonds, and under no circumstances shall the aforementioned be available for such purpose, nor shall there be any recourse against any other assets, revenues or funds of or other payments due to the Issuer.

[This Bond is a special obligation of the Issuer, secured by a pledge, subject only to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions, of all right, title and interest of the Issuer in the "Subordinated

Indebtedness Pledged Property”, being (i) that portion of the amounts to be paid pursuant to the State Personal Income Tax Revenue Bonds (General Purpose) Financing Agreement between the Issuer and the State, acting through the Director of the Budget, as amended (the “Financing Agreement”) which provides for payment (the “Financing Agreement Payments”) to be made by the State, subject to appropriation, from amounts on deposit in the Revenue Bond Tax Fund (as defined in the Resolution) and in any other financing agreement pledged under the Resolution by Supplemental Resolution, including, without limitation, the right to receive the Financing Agreement Payments, other than Financing Agreement Payments representing amounts designated by the State to be deposited in an escrow fund for the payment of principal of and premium, if any, and interest on any Bonds to be deemed paid within the meaning of the Resolution, which are from time to time available for transfer to the Subordinated Payment Fund (the “Subordinated Indebtedness Financing Agreement Payments”), (ii) the proceeds of the sale of the Bonds, and (iii) all Funds, accounts and sub-accounts established by the Subordinated Indebtedness Resolution (other than the Subordinated Indebtedness Rebate Fund), including investments, if any, thereon. The pledge is subordinate in all respects to the pledge created by the Resolution as security for Senior Bonds and Senior Parity Reimbursement Obligations. The Financing Agreement provides that the State’s agreements thereunder are not debts of the State and are executory only to the extent of moneys available to the State and that no liability on account thereof shall be incurred by the State beyond the moneys available for the purpose thereof. The Financing Agreement does not create a contractual obligation of the State in excess of the amounts appropriated therefor and the State has no continuing legal or moral obligation to appropriate money for Financing Agreement Payments, including the Subordinated Indebtedness Financing Agreement Payments.]

To the extent provided in the Resolution and the Subordinated Indebtedness Resolution, Bonds may be issued from time to time pursuant to Subordinated Indebtedness Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution and the Subordinated Indebtedness Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution and the Subordinated Indebtedness Resolution is not limited except as provided in the Acts, the Resolution and the Subordinated Indebtedness Resolution, and all Bonds issued and to be issued under the Subordinated Indebtedness Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Subordinated Indebtedness Resolution.

The events specified in the Subordinated Indebtedness Resolution as such shall constitute Events of Default and the Trustee and the Holders shall have the rights and remedies provided by the Subordinated Indebtedness Resolution or by law. Neither the Trustee nor the Holders of the Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Subordinated Indebtedness Resolution or any of the Bonds. In no event shall the Holders of the Bonds be permitted to, or permitted to instruct the Trustee to, declare the Bonds to be immediately due and payable at any time that any Senior Bonds or Senior Parity Reimbursement Obligations remain Outstanding.

To the extent provided in the Subordinated Indebtedness Resolution, Subordinated Indebtedness Parity Reimbursement Obligation, secured on a parity with the Bonds with respect to all right, title and interest of the Issuer in the Subordinated Indebtedness Pledged Property may be issued or entered into by the Issuer. The aggregate principal amount of Subordinated Indebtedness Parity Reimbursement Obligation which may be issued or entered into under the Subordinated Indebtedness Resolution is not limited except as provided by the Acts and in the Resolution and the Subordinated Indebtedness Resolution.

To the extent and in the manner permitted by the terms of the Resolution and the Subordinated Indebtedness Resolution, modification or amendment of the Resolution and the Subordinated

Indebtedness Resolution, respectively, and of the rights and obligations of the Issuer and of the Holders of the Bonds may be made by a Subordinated Indebtedness Supplemental Resolution, in certain instances without the written consent of the Holders of the Bonds. Reference is made to the Resolution and the Subordinated Indebtedness Resolution for the terms and provisions thereof relating to amendments and supplements.

As provided in the Subordinated Indebtedness Resolution, the Issuer may adopt, for certain enumerated purposes, Subordinated Indebtedness Supplemental Resolutions which, upon adoption thereof and filing with the Trustee, shall be fully effective in accordance with the terms thereof. In addition, the Issuer may adopt a Supplemental Resolution amending any provision of the Resolution, the Subordinated Indebtedness Resolution and a Subordinated Indebtedness Supplemental Resolution amending any provision of the Subordinated Indebtedness Resolution, effective upon filing with the Issuer of a written determination of the Trustee and a Counsel's opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

TO THE EXTENT PROVIDED IN THE RESOLUTION AND THE SUBORDINATED INDEBTEDNESS RESOLUTION, THE STATE RESERVES THE RIGHT, UPON AMENDMENT OF THE STATE CONSTITUTION TO PERMIT THE ISSUANCE OF STATE REVENUE BONDS, WHICH MAY BE PAYABLE FROM OR SECURED BY REVENUES THAT INCLUDE THE REVENUES PLEDGED UNDER THE RESOLUTION AND THE SUBORDINATED INDEBTEDNESS RESOLUTION, (I) TO ASSUME, IN WHOLE OR IN PART, THE BONDS, BOND ANTICIPATION NOTES, SUBORDINATED INDEBTEDNESS PARITY REIMBURSEMENT OBLIGATIONS AND OTHER OBLIGATIONS OF THE ISSUER ISSUED OR INCURRED UNDER THE RESOLUTION AND THE SUBORDINATED INDEBTEDNESS RESOLUTION, (II) TO EXTINGUISH THE EXISTING LIEN ON SUBORDINATED INDEBTEDNESS PLEDGED PROPERTY CREATED UNDER THE RESOLUTION AND THE SUBORDINATED INDEBTEDNESS RESOLUTION, AND (III) TO SUBSTITUTE SECURITY OR SOURCE OF PAYMENT FOR SUCH BONDS, BOND ANTICIPATION NOTES, SUBORDINATED INDEBTEDNESS PARITY REIMBURSEMENT RESOLUTIONS AND OTHER OBLIGATIONS ISSUED OR INCURRED UNDER THE RESOLUTION AND THE AND THE SUBORDINATED INDEBTEDNESS RESOLUTION, IN EACH CASE ONLY SO LONG AS SUCH ASSUMPTION, EXTINGUISHMENT AND SUBSTITUTION IS ACCOMPLISHED IN ACCORDANCE WITH SECTION A 612 OF THE RESOLUTION AND SECTION A-612 OF THE SUBORDINATED INDEBTEDNESS RESOLUTION. SECTION A-612 PERMITS SUCH AN ASSUMPTION, EXTINGUISHMENT AND SUBSTITUTION TO OCCUR, UNDER CERTAIN SPECIFIED CIRCUMSTANCES, WITHOUT THE CONSENT OF ANY BONDHOLDER OR ANY PROVIDER OF A SUBORDINATED INDEBTEDNESS CREDIT FACILITY.

The registration of this Bond is transferable, as provided in the Resolution and the Subordinated Indebtedness Resolution, only upon the books of the Issuer kept for that purpose at the above mentioned office of the Trustee by the Registered Holder hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Holder or his duly authorized attorney, and thereupon a new registered Series \_\_\_\_ Bond or Series \_\_\_\_ Bonds in the same aggregate principal amount, interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and the Subordinated Indebtedness Resolution, and upon payment of the charges therein prescribed. The Issuer and each Fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

The Series \_\_\_\_\_ Bonds are being issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Resolution or the Subordinated Indebtedness Resolution. One or more bond certificates for each maturity, registered in the name of the Securities Depository Nominee, is being issued for deposit with the Securities Depository and immobilized in its custody. The book-entry-only system will evidence positions held in the Series \_\_\_\_\_ Bonds by the Securities Depository's participants; beneficial ownership of the Series \_\_\_\_\_ Bonds, in the principal amount of \$5,000 or any integral multiple thereof, shall be evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Trustee will recognize the Securities Depository Nominee, while the Registered Holder of this Bond, as the owner of this Bond for all purposes, including payments of principal of and Redemption Price and interest on this Bond, notices and voting. Transfers of principal, interest and any Redemption Price payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfers of principal, interest and any Redemption Price payments to beneficial owners of the Series \_\_\_\_\_ Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. Neither the Issuer nor the Trustee will be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its participants or persons acting through such participants. While the Securities Depository Nominee is the owner of this Bond, notwithstanding any provisions herein contained to the contrary, payments of principal of and Redemption Price and interest on this Bond shall be made in accordance with existing arrangements among the Trustee, the Issuer and the Securities Depository. In the event that the Series \_\_\_\_\_ Bonds are no longer held in book-entry-only form, the Series \_\_\_\_\_ Bonds would be issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series \_\_\_\_\_ Bonds maturing on or after \_\_\_\_\_, are subject to redemption at the option of the Issuer, on any date on and after \_\_\_\_\_, either as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Holder, and otherwise by lot in such manner as the Trustee in its discretion deems proper), at the following Redemption Prices (expressed as a percentage of the principal amount) plus accrued interest up to but not including the date of redemption:

| Period During Which Redeemed<br>(Both Dates Inclusive) | Redemption Prices (Expressed as a Percentage of Principal Amount) |
|--|---|
|  |   |

The Series \_\_\_\_\_ Bonds maturing on \_\_\_\_\_ are subject to redemption in part (in accordance with the procedures of DTC, so long as DTC is the Holder, and otherwise in such manner as the Trustee in its discretion deems fair and appropriate) on any \_\_\_\_\_ on and after \_\_\_\_\_ at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on \_\_\_\_\_ of each year the principal amount of such Series \_\_\_\_\_ Bonds shown below:

Year  
\*

**Principal Amount**

\_\_\_\_\_  
\*Final Maturity

This Bond is payable upon redemption at the above-mentioned office or agency of the Issuer. Notice of redemption shall be given not less than thirty (30) days before the redemption date, to the Registered Holders of any Series \_\_\_\_\_ Bonds or portions of Series \_\_\_\_\_ Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry records of the Issuer, and otherwise, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been given as aforesaid, then the Series \_\_\_\_\_ Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid up to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Series \_\_\_\_\_ Bonds or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid up to but not including the redemption date, and from and after the redemption date interest on such Series \_\_\_\_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any redemption notice or other notices required by the Resolution shall be sent only to the Securities Depository Nominee, initially Cede & Co., as nominee of DTC, and will not be published so long as the Series \_\_\_\_\_ Bonds are held in book-entry-only form.

The Acts provide that neither the members of the Issuer Board of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series \_\_\_\_\_ Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or the Subordinated Indebtedness Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, DORMITORY AUTHORITY OF THE STATE OF NEW YORK has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

BY: \_\_\_\_\_  
[Authorized Officer]

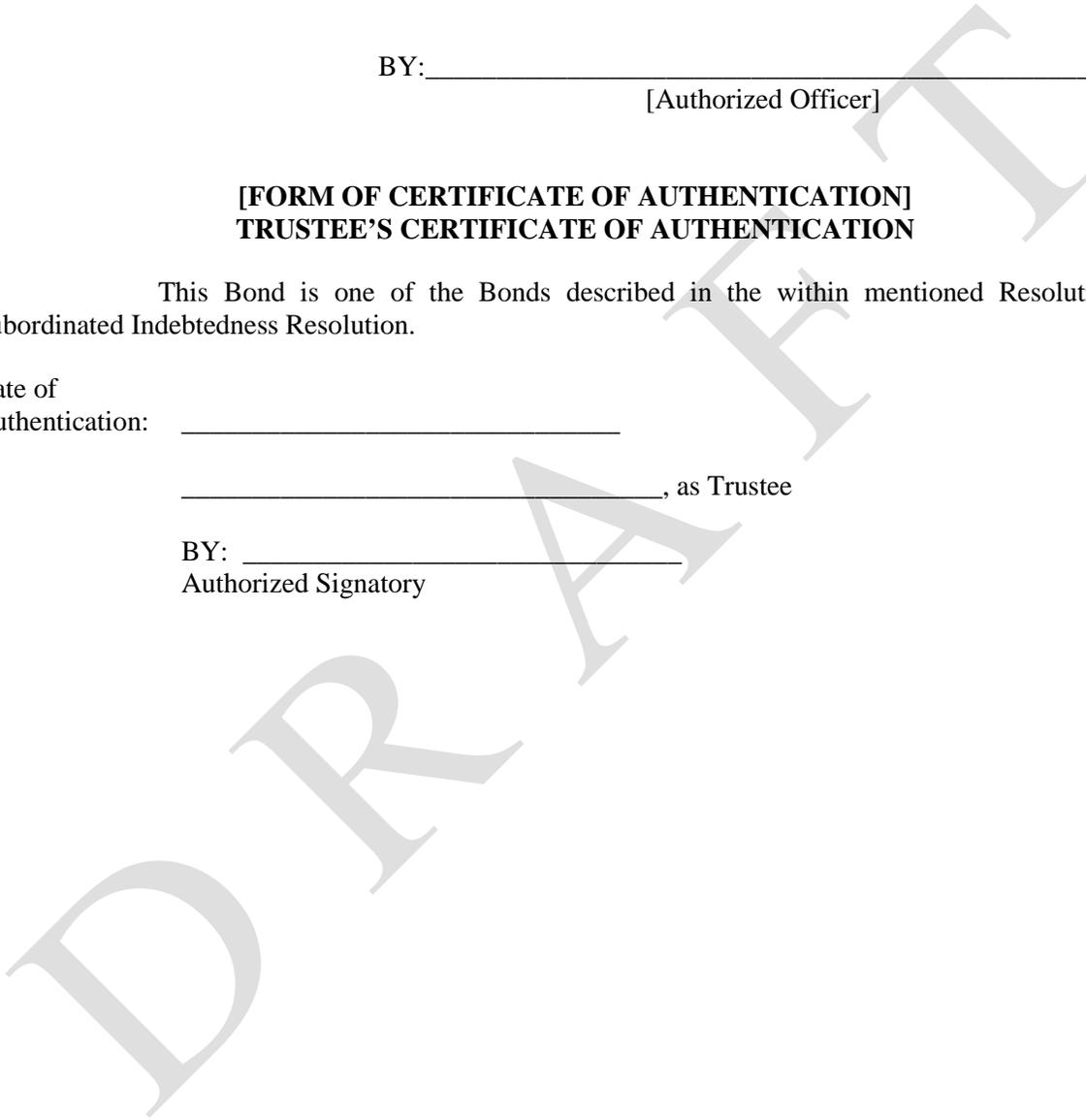
**[FORM OF CERTIFICATE OF AUTHENTICATION]  
TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Resolution and Subordinated Indebtedness Resolution.

Date of Authentication: \_\_\_\_\_

\_\_\_\_\_, as Trustee

BY: \_\_\_\_\_  
Authorized Signatory



**[FORM OF ASSIGNMENT]  
ASSIGNMENT**

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

---

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

---

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

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

Date: \_\_\_\_\_

In the Presence of:

---

NOTICE: The signature must be guaranteed by an officer of a commercial bank, trust company or by a member of The New York Stock Exchange or other national securities exchange. Notarized or witnessed signatures are not acceptable.

---

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

**STATE PERSONAL INCOME TAX REVENUE BONDS**

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**SUBORDINATED INDEBTEDNESS STANDARD RESOLUTION PROVISIONS**

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**TABLE OF CONTENTS**

Page

**ARTICLE A-I  
DEFINITIONS AND STATUTORY AUTHORITY**

Section A-101. Definitions ..... A-1  
Section A-102. Rules of Construction ..... A-14  
Section A-103. Authority for this Subordinated Indebtedness Resolution ..... A-14  
Section A-104. Subordinated Indebtedness Resolution to Constitute Contract ..... A-15

**ARTICLE A-II  
ISSUANCE OF BONDS**

Section A-201. General Provisions for Issuance of Bonds ..... A-16  
Section A-202. Special Provisions for Additional Bonds ..... A-19  
Section A-203. Refunding Bonds ..... A-19  
Section A-204. 2020-1 Credit Facilities; Qualified Swaps and other similar arrangements;  
Subordinated Indebtedness Parity Reimbursement Obligations ..... A-21  
Section A-205. Bond Anticipation Notes ..... A-23  
Section A-206. Additional Obligations ..... A-23

**ARTICLE A-III  
GENERAL TERMS AND PROVISIONS OF BONDS**

Section A-301. Medium of Payment; Form and Date ..... A-24  
Section A-302. Legends ..... A-24  
Section A-303. Execution and Authentication ..... A-25  
Section A-304. Exchange of Bonds ..... A-25  
Section A-305. Negotiability, Transfer and Registry ..... A-25  
Section A-306. Book-Entry-Only System ..... A-25  
Section A-307. Transfer of Registered Bonds ..... A-27  
Section A-308. Regulations with Respect to Exchanges and Transfers ..... A-27  
Section A-309. Bonds Mutilated, Destroyed, Stolen or Lost ..... A-27  
Section A-310. Cancellation of Bonds ..... A-28

**ARTICLE A-IV  
REDEMPTION OF BONDS**

Section A-401. Authorization of Redemption of an Applicable Series ..... A-29  
Section A-402. Redemption at the Election of the Issuer ..... A-29  
Section A-403. Redemption other than at Issuer’s Election ..... A-29  
Section A-404. Selection of Bonds to Be Redeemed ..... A-29  
Section A-405. Notice of Redemption ..... A-29  
Section A-406. Payment of Redeemed Bonds ..... A-30

**ARTICLE A-V  
ESTABLISHMENT OF FUNDS**

Section A-501. The Pledge Effected by the Subordinated Indebtedness Resolution ..... A-32

|                |                              |      |
|----------------|------------------------------|------|
| Section A-502. | Establishment of Funds ..... | A-33 |
|----------------|------------------------------|------|

ARTICLE A-VI  
PARTICULAR COVENANTS OF THE ISSUER

|                |   |      |
|----------------|---|------|
| Section A-601. | Payment of Bonds.....   | A-34 |
| Section A-602. | Extension of Payment of Bonds .....   | A-34 |
| Section A-603. | Offices for Servicing Bonds .....   | A-34 |
| Section A-604. | Further Assurance.....  | A-34 |
| Section A-605. | Power to Issue Bonds and Subordinated Indebtedness Pledge Revenues and<br>Other Funds ..... | A-34 |
| Section A-606. | Creation of Liens .....   | A-35 |
| Section A-607. | Certificate of the Director of the Budget .....   | A-35 |
| Section A-608. | Agreement With the Director of the Budget.....  | A-37 |
| Section A-609. | Agreement With the State.....   | A-37 |
| Section A-610. | Amendment of Financing Agreements.....  | A-37 |
| Section A-611. | Enforcement of Duties and Obligations of the State .....                                    | A-38 |
| Section A-612. | Reservation of State Rights of Assumption, Extinguishment and Substitution.....             | A-38 |
| Section A-613. | Accounts and Reports.....   | A-42 |
| Section A-614. | Tax Covenants .....   | A-42 |
| Section A-615. | General.....  | A-42 |
| Section A-616. | Notice as to Event of Default.....  | A-42 |
| Section A-617. | Other Bonds Authorized by the Enabling Act .....  | A-42 |

ARTICLE A-VII  
INVESTMENT OF FUNDS

|                |                           |      |
|----------------|---------------------------|------|
| Section A-701. | Investment of Funds ..... | A-43 |
|----------------|---------------------------|------|

ARTICLE A-VIII  
CONCERNING THE TRUSTEE AND THE PAYING AGENTS

|                |   |      |
|----------------|---|------|
| Section A-801. | Trustee; Appointment and Acceptance of Duties .....                       | A-44 |
| Section A-802. | Paying Agents; Appointment and Acceptance of Duties.....                  | A-44 |
| Section A-803. | Responsibilities of Fiduciaries.....                                      | A-44 |
| Section A-804. | Evidence on Which Fiduciaries May Act.....                                | A-44 |
| Section A-805. | Compensation .....  | A-45 |
| Section A-806. | Certain Permitted Acts.....   | A-45 |
| Section A-807. | Resignation of Trustee.....   | A-45 |
| Section A-808. | Removal of Trustee .....  | A-45 |
| Section A-809. | Appointment of Successor Trustee .....                                    | A-46 |
| Section A-810. | Transfer of Rights and Property to Successor Trustee .....                | A-46 |
| Section A-811. | Merger or Consolidation.....  | A-46 |
| Section A-812. | Resignation or Removal of Paying Agent and Appointment of Successor ..... | A-47 |

ARTICLE A-IX  
SUBORDINATED INDEBTEDNESS SUPPLEMENTAL RESOLUTIONS

|                |   |      |
|----------------|---|------|
| Section A-901. | Adoption and Filing.....  | A-48 |
| Section A-902. | Subordinated Indebtedness Supplemental Resolutions Effective Upon<br>Adoption ..... | A-48 |

|                |  |      |
|----------------|--|------|
| Section A-903. | Subordinated Indebtedness Supplemental Resolutions Effective with Consent of Trustee.....      | A-50 |
| Section A-904. | Subordinated Indebtedness Supplemental Resolutions Effective with Consent of Bondholders ..... | A-50 |
| Section A-905. | General Provisions.....  | A-50 |

ARTICLE A-X  
AMENDMENTS

|                 |  |      |
|-----------------|--|------|
| Section A-1001. | Mailing and Publication.....             | A-52 |
| Section A-1002. | Powers of Amendment .....                | A-52 |
| Section A-1003. | Consent of Bondholders .....             | A-52 |
| Section A-1004. | Modifications by Unanimous Consent ..... | A-54 |
| Section A-1005. | Exclusion of Bonds.....                  | A-54 |
| Section A-1006. | Notation on Bonds .....                  | A-54 |

ARTICLE A-XI  
DEFAULTS AND REMEDIES; DEFEASANCE

|                 |  |      |
|-----------------|--|------|
| Section A-1101. | Events of Default .....                                  | A-55 |
| Section A-1102. | Remedies .....   | A-56 |
| Section A-1103. | Priority of Payments After Default.....                  | A-57 |
| Section A-1104. | Defeasance.....  | A-58 |
| Section A-1105. | Certain Provisions Relating to Economic Defeasance ..... | A-60 |

ARTICLE A-XII  
EXECUTION OF INSTRUMENTS BY BONDHOLDERS  
AND PROOF OF OWNERSHIP OF BONDS

|                 |   |      |
|-----------------|---|------|
| Section A-1201. | Evidence of Signatures of Bondholders and Ownership of Bonds..... | A-61 |
|-----------------|---|------|

ARTICLE A-XIII  
MISCELLANEOUS

|                 |   |      |
|-----------------|---|------|
| Section A-1301. | Moneys Held for Particular Bonds .....            | A-62 |
| Section A-1302. | General Regulations as to Moneys and Funds.....   | A-62 |
| Section A-1303. | Preservation and Inspection of Documents .....    | A-62 |
| Section A-1304. | Parties of Interest.....                          | A-63 |
| Section A-1305. | No Recourse Under Resolution or on the Bonds..... | A-63 |
| Section A-1306. | Publication of Notices .....                      | A-63 |
| Section A-1307. | Successors and Assigns .....                      | A-63 |
| Section A-1308. | Severability of Invalid Provisions .....          | A-63 |
| Section A-1309. | Other Resolutions .....                           | A-63 |
| Section A-1310. | Survival of Particular Covenants.....             | A-63 |
| Section A-1311. | Actions by the Issuer .....                       | A-64 |
| Section A-1312. | Governing Laws .....                              | A-64 |
| Section A-1313. | Payments due on Other Than a Business Day .....   | A-64 |
| Section A-1314. | Effective Date .....                              | A-64 |

**STATE PERSONAL INCOME TAX REVENUE BONDS  
SUBORDINATED INDEBTEDNESS STANDARD RESOLUTION PROVISIONS**

**ARTICLE A-I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section A-101. Definitions.** Capitalized terms used but not otherwise defined in this Annex A shall have the meanings set forth in the Resolution, Annex A appended to the Resolution, and the Subordinated Indebtedness Resolution to which this Annex A is appended. In the event the same terms are defined both in the Resolution, including Annex A thereto, and the Subordinated Indebtedness Resolution, including this Appendix A, the definitions set forth in the Subordinated Indebtedness Resolution and this Annex A shall be controlling for purposes of the Subordinate Indebtedness Resolution and this Annex A thereto. The following terms shall, for all purposes herein and (except as the context may otherwise require) in the Subordinated Indebtedness Resolution to which this Annex A is appended, have the following meanings:

“Accreted Value” means, with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Subordinated Indebtedness Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Subordinated Indebtedness Supplemental Resolution.

“Additional Bonds” means Bonds authenticated and delivered on original issuance pursuant to Section A-202.

“Amortized Value” when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value of such Investment Obligations computed by using an industry standard constant yield method selected by an Authorized Officer of the Issuer.

“Appreciated Value” means with respect to any Deferred Income Bonds (i) as of any Valuation Date, the amount set forth for such date in the Subordinated Indebtedness Supplemental Resolution authorizing such Deferred Income Bonds, (ii) as of any date prior to the Interest Commencement Date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Subordinated Indebtedness Supplemental Resolution.

“Arbitrage and Use of Proceeds Certificate” means, with respect to any Series of Bonds, the interest on which is intended by the Issuer to be excluded from gross income for federal income tax purposes, a certificate or certificates executed by an Authorized Officer of the Issuer in connection with the initial issuance and delivery of the Bonds of such Series and containing representations, warranties and covenants of the Issuer relating to the federal tax status of such Series of Bonds, as such certificate or certificates may be amended and supplemented from time to time.

“Authorized Issuer” means any public authority or public benefit corporation enumerated by subdivision 1 Section 54 of the Urban Development Corporation Act.

“Authorized Newspaper” means The Bond Buyer or any other newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, designated by the Issuer.

“Authorized Purpose” means a purpose as provided by the Enabling Act for the Issuer.

“Bank” means any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

“Bond” or “Bonds” means any of the bonds or notes of the Issuer authorized and issued pursuant to the Subordinated Indebtedness Resolution and to a Subordinated Indebtedness Supplemental Resolution.

“Bond Anticipation Notes” means notes issued pursuant to Section A-205 hereof.

“Bond Counsel” means an attorney or law firm, appointed by the Issuer, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder,” “Holder” or “Holder of Bonds,” or any similar term, means any person who shall be the registered owner of any Outstanding Bond or Bonds.

“Business Day” means a day of the year which is not a Saturday, Sunday, or a day on which the Trustee or banking institutions chartered by the State or the United States of America are required or authorized by law to close in The City of New York, or any day on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” means Bonds of a Series denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Bonds. Except as otherwise provided by Subordinate Indebtedness Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Subordinated Indebtedness Debt Service,

the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

“Certificate of Determination” means a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Bonds, Subordinated Indebtedness Parity Reimbursement Obligations, Subordinate Indebtedness Credit Facilities, or other matters in accordance with the delegation of power to do so under the Subordinated Indebtedness Resolution or a Subordinate Indebtedness Supplemental Resolution.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the Regulations, including temporary and proposed Regulations, relating to such section which are applicable to the Resolution and the Subordinated Indebtedness Resolution, including the Bonds or the use of Bond proceeds.

“Comptroller” means the Comptroller of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any other official of the State authorized to act on behalf of the Comptroller in connection therewith.

“Cost or Costs of a Project” means costs and expenses or the refinancing of costs and expenses incurred or to be incurred in connection with a Project, including, (i) expenditures of the State described in subdivision 1 of Section 54 of the Urban Development Corporation Act, (ii) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (iii) costs and expenses for labor and materials and payments to consultants, contractors, builders and materialmen, for the acquisition, design, construction, reconstruction, rehabilitation, preservation, development, improvement or modernization of the Project, (iv) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (v) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising the construction of the Project, (vi) costs and expenses required for the acquisition and installation of equipment or machinery, (vii) all other costs necessarily and appropriately incurred in connection with the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (viii) any sums required to reimburse the State or the Issuer for advances made by either party for any of the above items or for other costs incurred and for work done by the State or Issuer in connection with the Project, and (ix) grants or loans by or on behalf of the State for any of the foregoing.

“Cost or Costs of Issuance” means the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds or Bond Anticipation Notes, which items of expense shall include Subordinated Indebtedness Issuer Expenses, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Securities Depository, legal fees and charges, professional consultants’ fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for Subordinated Indebtedness Credit Facilities, Qualified Swaps and other similar financial arrangements, costs and expenses of refunding of Bonds or Prior Obligations and other costs, charges and fees, including those of the Issuer, in connection with the foregoing.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the practice of law relating to municipal, state and public agency financing selected by the Issuer.

“Defeased Municipal Obligations” means pre-refunded municipal obligations rated in the highest Rating Category by each Rating Agency and meeting the following requirements:

- (a) the municipal obligations (i) are not subject to redemption prior to maturity or (ii) the trustee or the paying agent has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; and
- (b) the municipal obligations are fully secured by cash or Government Obligations which may be applied only to payment of the principal of and interest and premium, if any, on such municipal obligations.

“Deferred Income Bond” means any Bond (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Bonds and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Subordinate Indebtedness Supplemental Resolution. Except as otherwise provided by Subordinated Indebtedness Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Subordinated Indebtedness Debt Service, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

“Director of the Budget” means the Director of the Division of the Budget of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any official of the State authorized to act on behalf of the Director of the Budget in connection therewith.

“Estimated Average Interest Rate” shall mean, as to any Variable Interest Rate Bonds or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Bonds or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer of the Issuer in consultation with the Director of the Budget.

“Event of Default” means any Event of Default set forth in Section A-1101 hereof.

“Fiduciary” means the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiduciary Capital Funds” when used with respect to any Fiduciary means the total of (i) paid in capital, (ii) surplus, (iii) undivided profits and (iv) the par value of outstanding capital notes issued and subordinated to the claims of creditors of such Fiduciary other than the holders of such capital notes.

“Financing Agreement” means the applicable financing agreement authorized by subdivision 1 of Section 68-c, as amended and supplemented in accordance with the terms thereof and the Resolution and referred to in Section 101 of this Resolution.

“Financing Agreement Payment” shall refer to any payment obligation of the State incurred pursuant to a Financing Agreement and denominated therein as a “Financing Agreement Payment,” to pay to the Issuer or the Trustee from amounts available therefor in the Revenue Bond Tax Fund.

“Fund” means any one of the funds created and established pursuant to Section 502 of the Resolution and Section 5.02 of the Subordinated Indebtedness Resolution.

“Government Obligations” means (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least \$50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; (c) an obligation of any federal agency approved by the Issuer; or (d) a share or interest in a mutual fund, partnership or other fund wholly comprised of obligations described in clauses (a), (b) and (c) above; or (e) Defeased Municipal Obligations; or (f) any other Investment Obligation designated in a Subordinated Indebtedness Supplemental Resolution as a Government Obligation for purposes of defeasing Bonds, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

“Interest Commencement Date” means, with respect to any particular Deferred Income Bond, the date determined by Subordinate Indebtedness Supplemental Resolution after which interest accruing on such Bond shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Subordinate Indebtedness Supplemental Resolution.

“Interest Payment Date” means, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds.

“Investment Obligations” means any of the following that are lawful investments at the time of the investment:

- (a) Government Obligations,
- (b) certificates of deposit issued by, and time deposits in, and bankers’ acceptances of, any bank (including any Paying Agent or Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, whose long-term unsecured indebtedness is rated less than “A” by each Rating Agency, such certificates of deposit or time deposits or bankers’ acceptances are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United

States of America having a market value of not less than the face amount of such certificates and deposits,

- (c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when “stripped” by the Department of the Treasury of the United States of America, then by the custodian designated by the Department of the Treasury of the United States of America,
- (d) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by each Rating Agency,
- (e) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by each Rating Agency,
- (f) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (d), or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least \$100,000,000 and is rated in the highest Rating Category by each Rating Agency,
- (g) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,
- (h) any repurchase agreement for Government Obligations by the Issuer or any Trustee that is with a bank, trust company (including any Trustee) or securities dealer which is a member of the Securities Investors Protection Corporation, each of which is a primary reporting dealer in government securities as determined by the Federal Reserve Bank, or if “primary reporting dealers” cease to be determined by the Federal Reserve Bank, such other comparable standard as the Issuer shall implement pursuant to a Supplemental Resolution; provided, however, that the Government Obligations must be transferred to the Issuer or any Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer or registrar of such obligations or clearing agent or depository, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations,
- (i) commercial paper rated in the highest Rating Category by each Rating Agency,
- (j) investment agreements, secured or unsecured, with any institutions whose debt securities are rated in one of the two highest Rating Categories (or rated in the

highest Rating Category for short-term obligations if the investment is for a period not exceeding one year) by each Rating Agency,

- (k) forward purchase agreements effecting the periodic delivery of securities listed in (a), (c), (d), (e), (g) and (i) above,
- (l) shares or an interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as from time to time amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated in the highest Rating Category for short-term obligations by at least one Rating Agency; and
- (m) any other obligations from time to time permitted pursuant to the Issuer Act or other applicable law; provided, however, that if the funds invested in any such obligation are pledged for the payment of Bonds hereunder and the Bonds are then rated by a Rating Agency, such obligation shall be rated in one of the two highest Rating Categories of each such Rating Agency.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized Securities Depository.

“Issuer Board” means the board or members of the Issuer duly appointed and acting pursuant to the Issuer Act, or their designees duly appointed and acting.

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

- (i) Any Bond canceled or delivered for cancellation at or prior to such date;
- (ii) Any Bond (or portion of a Bond) deemed to have been paid in accordance with Section A-1104 hereof unless a Subordinated Indebtedness Supplemental Resolution provides that Bonds of a Series having the benefit of a Subordinated Indebtedness Credit Facility shall not thereby be deemed paid if payment is provided by the Subordinated Indebtedness Credit Facility;
- (iii) Any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article A-III; Section A-406 or Section A-1006; and
- (iv) Put Bonds tendered or deemed tendered in accordance with the provisions of the Subordinate Indebtedness Supplemental Resolution authorizing such Bonds on the applicable tender date, if the purchase price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Subordinated Indebtedness Supplemental Resolution, except to the extent such tendered Put Bonds thereafter may be resold pursuant to the terms thereof and of such Subordinated Indebtedness Supplemental Resolution.

The principal component of any Subordinated Indebtedness Parity Reimbursement Obligation shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Bond, regardless of the authorized amount of the principal component of such Subordinated Indebtedness Parity Reimbursement Obligation or the related Bond and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal

component of such Subordinated Indebtedness Parity Reimbursement Obligation shall not by itself increase the Outstanding principal amount of Bonds.

“Paying Agent” or “Paying Agents” means any paying agent for the Bonds of any Series appointed pursuant to Section A-802 hereof, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution, and in the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee, if a different entity, or the Issuer shall act as such Paying Agent.

“Person” means any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company or other legal entity or group of entities, including any public benefit corporation, public instrumentality, quasi-governmental or governmental entity or any agency or subdivision thereof.

“Principal Installment” means, as of any date of calculation and with respect to any Series of Bonds or any Subordinated Indebtedness Parity Reimbursement Obligation, as applicable, (a) the principal amount of Outstanding Bonds of such Series, due on the dates and in the amounts specified by Subordinate Indebtedness Supplemental Resolution, reduced by the principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Subordinated Indebtedness Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance of any Sinking Fund Installments due on any certain future date for Bonds of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Subordinated Indebtedness Parity Reimbursement Obligation, the amount due thereunder on the dates and in the amounts established in accordance with Section A-204 as a principal component of such Subordinated Indebtedness Parity Reimbursement Obligation payable on a parity with the Bonds.

“Prior Obligations” means bonds, notes or other obligations previously issued or incurred by an Authorized Issuer not under the Subordinated Indebtedness Resolution to finance Costs of a Project.

“Project” means expenditures of the State described in subdivision 1 of Section 54 of the Urban Development Corporation Act, together with the land, buildings, improvements, betterments, equipment, furnishings, and other property, real or personal, and all appurtenances thereto and interests therein, comprising each of the projects to be acquired, constructed, reconstructed, renovated, or developed to effectuate an Authorized Purpose.

“Put Bonds” means Bonds which by their terms may be tendered at the option of the Holder thereof, or are subject to a mandatory tender other than at the election of the Issuer for payment or purchase prior to the stated maturity or redemption date thereof.

“Qualified Swap” means, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Bonds or variable interest rate Bonds on a synthetic basis or otherwise, or other

similar financial transaction, and (iii) which has been designated in writing to the Trustee by an Authorized Officer of the Issuer as a Qualified Swap with respect to such Bonds.

“Qualified Swap Payment” means any payment required to be made by the Issuer under a Qualified Swap, such payment to be made only from the Subordinated Indebtedness Fund.

“Qualified Swap Provider” means an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider.

“Rating Agency” means each nationally recognized statistical rating organization then maintaining a rating on the Bonds at the request of the Issuer.

“Rating Category” means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Rating Confirmation” means evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken hereunder; provided, however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Bonds.

“Rebate Amount” means, with respect to each Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

“Record Date” means with respect to any Interest Payment Date, unless the applicable Supplemental Resolution authorizing a particular Series of Bonds provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date.

“Redemption Date” means the date upon which Bonds are to be called for redemption pursuant to the Subordinate Indebtedness Resolution and the Subordinated Indebtedness Supplemental Resolution.

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

“Refunding Bonds” means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered pursuant to Article A-III hereof, on original issuance pursuant to Section A-203, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article A-III, Section A-406 or Section A-1006 hereof.

“Regulations” means the Income Tax Regulations promulgated by the Department of the Treasury of the United States of America from time to time.

“Reimbursement Obligation” has the meaning provided in clause (d) of Section A-204.

“Requisition” means any instructions as deemed necessary and delivered by the Director of the Budget to the Issuer, providing for the payment of Bond proceeds to the State or any other entity.

“Revenue Bond Tax Fund” means the fund established by Section 92-z.

“Section 92-z” means section 92-z of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

“Section 68-a” means section 68-a of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

“Section 68-b” means section 68-b of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

“Section 68-c” means section 68-c of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

“Securities Depository” means a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Bonds (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

“Senior Bond” or “Senior Bonds” means any of the bonds or notes of the Issuer authorized and issued pursuant to the Resolution and to a Supplemental Resolution (as such term is defined in the Resolution); provided, however, that such terms shall not include any Bonds, Bond Anticipation Notes or bonds, notes or other obligations, including bonds, notes or other obligations authorized pursuant to this Subordinated Indebtedness Resolution and a Subordinated Indebtedness Supplemental Resolution and Qualified Swaps payable from the Subordinated Payment Fund.

“Senior Parity Reimbursement Obligation” has the meaning ascribed to the term “Parity Reimbursement Obligation” in Section A-204 of the Resolution; provided, however, the term “Senior Parity Reimbursement Obligation” does not include any Subordinated Indebtedness Parity Reimbursement Obligation.

“Series” means all of the Bonds authenticated and delivered on original issuance and denominated as part of the same series, and thereafter delivered in lieu of or in substitution of such Bonds pursuant to Article A-III, Section A-406 or Section A-1006 hereof regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Sinking Fund Installment” means, with respect to any Series of Bonds, as of any date of calculation and with respect to any Bonds of such Series, the amount of money required by the applicable Subordinated Indebtedness Supplemental Resolution pursuant to which such Bonds were issued, to be paid in all events by the Issuer on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Issuer by reason only of the maturity of such Bond.

“State” means the State of New York.

“State Fiscal Year” means the fiscal year of the State as set forth in the State Finance Law.

“State Legislature” means the Legislature of the State of New York.

“State Revenue Bonds” means any notes, bonds or other obligations to be issued or incurred by the State or by a public corporation of the State on behalf of the State in accordance with a hereinafter enacted amendment to the State Constitution, payments with respect to which (i) are payable from specified, dedicated revenues and (ii) do not require an appropriation by the State Legislature in order to be made.

“Subordinated Indebtedness Calculated Debt Service” means for any period, as of any date of calculation and with respect to any Series of Bonds or any Subordinated Indebtedness Parity Reimbursement Obligations, the sum of Subordinated Indebtedness Debt Service for such period determined by the Issuer based on the following adjustments:

(1) Interest on Variable Interest Rate Bonds shall be based on the Estimated Average Interest Rate applicable thereto.

(2) With respect to Put Bonds and any Bonds of a Series the interest on which is payable periodically and at least twenty-five per centum (25%) of the original principal amount of which is stated to mature at one time and for which maturing principal amount amortization requirements have not been designated, (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance (or any shorter period provided by Subordinate Indebtedness Supplemental Resolution) based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable.

(3) If the Issuer has irrevocably deposited Investment Obligations or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the expected future cash flow from such Investment Obligations and money shall be deducted from Subordinated Indebtedness Debt Service.

(4) If the Issuer has, at any time, irrevocably called for redemption of one or more Series of Bonds, including pursuant to a covenant to apply any portion of the Pledged Property to redeem Bonds or Subordinated Indebtedness Parity Reimbursement Obligations (which particular Bonds or Subordinated Indebtedness Parity Reimbursement Obligations need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Subordinated Indebtedness Calculated Debt Service.

(5) With respect to Subordinated Indebtedness Parity Reimbursement Obligations, an interest rate calculated at a higher interest rate on the related Bonds shall only be taken into account if, at the time of calculation, such higher rates are then payable thereon.

“Subordinated Indebtedness Credit Facility” means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds or Subordinated Indebtedness Parity Reimbursement Obligations.

“Subordinated Indebtedness Debt Service” for any period means, as of any date of calculation and with respect to any Series of Bonds or any Subordinated Indebtedness Parity Reimbursement Obligation Outstanding, the sum of: (i) interest on the Bonds of such Series and the interest components of such Subordinated Indebtedness Parity Reimbursement Obligation accruing during such period and (ii) that portion of each Principal Installment for such Bonds and Subordinated Indebtedness Parity Reimbursement Obligation that would accrue during such period if such Principal

Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligation; provided, however, that, unless otherwise set forth in a Subordinated Indebtedness Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until the later of one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Bond or Subordinated Indebtedness Parity Reimbursement Obligation.

"Subordinated Indebtedness Issuer Expenses" means all proper items of cost or expenditure incurred or anticipated to be incurred by the Issuer in connection with the financing of any Project pursuant hereto, or direct and indirect administrative costs, fees and expenses and allocable portions of direct and indirect costs of the Issuer incurred in connection with financing such Project, including Costs of Issuance, initial fees and periodic fees to be paid in connection with Subordinated Indebtedness Credit Facilities, legal fees, fees and expenses of trustees, remarketing agents, market agents, tender agents, auction agents, Depositories and Paying Agents, and financing charges and fees and expenses of financial advisors and consultants, costs of audits, and such other expenses not specified herein as may be necessary or incident to the financing of such Project, including through the issuance of Bonds or Bond Anticipation Notes and all other expenses of the Issuer relating to the financing of Projects set forth in the Enabling Act; *provided, however, that* Issuer Expenses shall not include any termination or other payments to be made in connection with Qualified Swaps or other similar arrangements or, except to the extent expressly provided above, Subordinate Indebtedness Credit Facilities.

"Subordinated Indebtedness Financing Agreement Payments" means those portions of the Financing Agreement Payments that are available from time to time for transfer to the Subordinate Payment Fund pursuant to Section 503 of the Resolution, other than Subordinate Indebtedness Financing Agreement Payments representing amounts designated by the State to be deposited in an escrow fund for the payment of principal of and premium, if any, and interest on any Bonds to be deemed paid within the meaning of the Resolution and the Subordinated Indebtedness Resolution.

"Subordinated Indebtedness Parity Reimbursement Obligation" has the meaning provided in clause (d) of Section A-204.

"Subordinated Indebtedness Pledged Property" means all of the Issuer's right, title and interest in and to (i) the Financing Agreement and in any other financing agreement pledged under the Resolution by Supplemental Resolution, but only that portion of the Financing Agreement Payments comprising Subordinated Indebtedness Financing Agreement Payments and payments under such other financing agreements that are from time to time available for transfer to the Subordinate Payment Fund, other than amounts designated by the State to be deposited in an escrow fund for the payment of principal of and premium, if any, and interest on any Bonds to be deemed paid within the meaning of the Resolution; provided, however such term does not include (A) the Issuer's right to receive the payment of Issuer Expenses, including the Subordinated Indebtedness Issuer Expenses, (B) the right of the Issuer to enforce the obligation of the State to make Financing Agreement Payments or financing agreement payments under such other financing agreements, (C) the right of the Issuer to agree to the amendment of a Financing Agreement in accordance with Section A-610, and (D) the right of the Issuer to enforce the provisions of any Financing Agreement independently of the Trustee, without limiting the right of the Trustee to enforce the payment of amounts (other than the portion of the Financing Agreement Payments from time to time available to be transferred to the Subordinate Payment Fund) under the Financing Agreements for the benefit of Bondholders or Fiduciaries), and (ii) the Subordinate Indebtedness Revenues and Funds under the Subordinated Indebtedness Resolution (other than the Subordinated Indebtedness Rebate Fund and other Funds under the Subordinated Indebtedness Resolution, and any accounts and subaccounts therein, established pursuant to a Subordinated Indebtedness Supplemental

Resolution in connection with Variable Interest Rate Bonds, Put Bonds, Subordinated Indebtedness Parity Reimbursement Obligations, or Reimbursement Obligations; provided, however, that such Funds, accounts and subaccounts are specifically excepted from Subordinate Indebtedness Pledged Property by the Subordinate Indebtedness Supplemental Resolution authorizing such Variable Interest Rate Bonds, Put Bonds, or Subordinated Indebtedness Parity Reimbursement Obligations), including Investment Obligations held in such Funds hereunder, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Subordinated Indebtedness Resolution; provided, however, that in no event shall any Project or any interest therein be deemed to be “Subordinated Indebtedness Pledged Property”.

“Subordinated Indebtedness Supplemental Resolution” means any resolution supplemental to or amendatory of the Subordinated Indebtedness Resolution adopted by the Issuer in accordance with the Resolution and the 2020 Supplemental Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

“Subordinated Indebtedness Revenues” means (i) all amounts appropriated and paid to the Issuer or the Trustee from the Revenue Bond Tax Fund pursuant to Section 92-z and the Financing Agreement constituting Subordinated Indebtedness Financing Agreement Payments, (ii) any other amounts appropriated and paid by the State to the Issuer or received from any other source by the Issuer and pledged by the Issuer as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Subordinated Indebtedness Resolution.

“Tax Law” means the tax law constituting Chapter 60 of the consolidated laws of the State.

“Taxable Bonds” shall mean any Bonds which are not Tax-Exempt Bonds.

“Tax-Exempt Bonds” shall mean any Bonds the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Bonds in the Supplemental Resolution authorizing such obligations.

“Trustee” means a trustee appointed by the Issuer or as otherwise provided in this Resolution, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided herein.

“Valuation Date” means (i) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Subordinated Indebtedness Supplemental Resolution authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bonds, and (ii) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

“Variable Interest Rate Bonds” means Bonds which bear a variable interest rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate. The method of computing such variable interest rate shall be specified in the Subordinated Indebtedness Supplemental Resolution authorizing such Series of Bonds.

## **Section A-102. Rules of Construction.**

1. Words of one gender shall be deemed and construed to include correlative words of any other gender. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

2. Except as otherwise specified herein, all references in the Subordinated Indebtedness Resolution (including this Annex A) to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Subordinated Indebtedness Resolution (including this Annex A), and the words herein, hereof, hereunder and other words of similar import refer to the Resolution as a whole (including this Annex A) and not to any particular Article, Section or subdivision of the Subordinated Indebtedness Resolution or of this Annex A. References in the Subordinated Indebtedness Resolution to Articles or Sections with "A-" preceding the number of an Article or Section are to such Article or Section of this Annex A.

3. This Annex A constitutes an integral part of the Subordinated Indebtedness Resolution and, except to the extent provided in the next 2 sentences, has the same force and effect as if set forth in the forepart of the Subordinated Indebtedness Resolution. To the extent expressly provided in the Subordinated Indebtedness Resolution, the Issuer may negate, amend or modify any provision of this Annex A. In the event of any conflict between this Annex A and the forepart of the Subordinate Resolution, the forepart of the Subordinated Indebtedness Resolution shall control.

4. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof (including any table of contents in the Subordinated Indebtedness Resolution), shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of the Subordinated Indebtedness Resolution (including this Annex A) or describe the scope or intent of any provisions hereof.

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

6. All references herein to resolutions, contracts or other agreements shall be deemed to include any amendments to such documents that are approved in accordance with the terms thereof and hereof.

7. Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature, which may be delivered and "signed" pursuant to facsimile or other electronic-mail transmission in accordance with applicable law and practice.

8. The word "or" is not exclusive.

9. The word "including" means including without limitation.

**Section A-103. Authority for this Subordinated Indebtedness Resolution.** The Subordinated Indebtedness Resolution is adopted pursuant to the provisions of the Acts and the Resolution.

**Section A-104. Subordinated Indebtedness Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Bonds and Subordinated Indebtedness Parity Reimbursement Obligations authorized to be issued or incurred hereunder by those who shall hold the same from time to time, the Subordinated Indebtedness Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and Subordinated Indebtedness Parity Reimbursement Obligations; and the pledge made in the Subordinated Indebtedness Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and Subordinated Indebtedness Parity Reimbursement Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or Subordinated Indebtedness Parity Reimbursement Obligations over any other thereof except as expressly provided in or permitted by the Subordinated Indebtedness Resolution. The pledge made in the Subordinate Indebtedness Resolution is subject to and subordinate to the pledge of and lien of the Pledged Property (as defined in the Resolution as security for the payment of the principal, sinking fund installments, if any and redemption price and interest on the Senior Bonds and the Senior Parity Reimbursement Obligations.

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## ARTICLE A-II

### ISSUANCE OF BONDS

#### Section A-201. General Provisions for Issuance of Bonds.

1. The issuance of Bonds of a Series or subseries shall be authorized by the Resolution, the Subordinated Indebtedness Resolution and a Subordinate Indebtedness Supplemental Resolution or Resolutions adopted at the time of or subsequent to the adoption hereof and which shall be subject to the express limitations hereof. The Bonds of a Series or subseries authorized to be issued shall be executed in accordance with Section A-303 hereof and delivered to the Trustee. Such Series of Bonds or subseries shall be authenticated or otherwise delivered by the Trustee from time to time in such amounts as directed by the Issuer and by it delivered to or upon the order of the Issuer upon receipt of the consideration therefor and upon delivery to the Trustee of:

(A) a copy of the Resolution, the Subordinated Indebtedness Resolution and the Subordinated Indebtedness Supplemental Resolution authorizing such Series which, among other things, shall specify the following items (or the manner of determining such items prior to the delivery of the Bonds):

- (i) The authorized principal amount, designation and Series of such Bonds;
- (ii) The purposes for which such Series of Bonds are being issued, which shall be one or more of the following (a) one or more of the Authorized Purposes permitted by the Enabling Act, or (b) the refunding of Bonds as provided in Section A-203 hereof;
- (iii) The date or dates, and the maturity date or dates and principal amounts of each maturity of the Bonds of such Series;
- (iv) The amount, or the method for determining such amount, and due date of each Sinking Fund Installment, if any, for Bonds of such Series;
- (v) The Record Date or Record Dates of Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date for such Bonds;
- (vi) If the Bonds of such Series are interest bearing Bonds, the interest rates of the Bonds of such Series and the Interest Payment Dates therefor;
- (vii) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;
- (viii) If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Obligations, the Valuation Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;
- (ix) If Bonds of such Series are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Bonds;

(x) If Bonds of such Series are Variable Interest Rate Bonds, the maximum interest rate, if any, or the method of calculating such maximum rate for such Bonds, and the provisions, if any, as to the calculation or change of variable interest rates;

(xi) If Bonds of such Series are Put Bonds, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;

(xii) The denomination or denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

(xiii) The Paying Agent or Paying Agents, if any, and the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if any, of and interest on the Bonds of such Series;

(xiv) The redemption provisions, if any, applicable to the Bonds of such Series;

(xv) Provisions for time, place and manner of sale or exchange of the Bonds of such Series;

(xvi) Any material change to the form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon from the forms set forth in Exhibit One to the Subordinated Indebtedness Resolution. Except as otherwise provided pursuant to a Subordinate Indebtedness Supplemental Resolution, all of the Bonds of each Series shall be in fully registered form without coupons;

(xvii) Directions for the application of the proceeds of the Bonds of such Series;

(xviii) To the extent applicable, direction to deliver such Series of Bonds in book-entry form to the extent materially different from the provisions of Section A-306 hereof;

(xix) To the extent applicable, the provisions relating to (a) any Subordinated Indebtedness Credit Facility, Qualified Swap or other similar financial arrangement entered into in connection with the issuance of the Bonds of such Series and (b) the obligations payable thereunder; and

(xx) Any other provision deemed advisable by an Authorized Officer of the Issuer, not in conflict with the provisions hereof or of the applicable Subordinate Indebtedness Supplemental Resolution.

An Authorized Officer of the Issuer to whom a Subordinate Indebtedness Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to such delegation, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Subordinated Indebtedness Supplemental Resolution;

(B) A Counsel's Opinion in customary form to the effect that (i) the Issuer has the right and power under the Acts to adopt the Resolution, this Subordinated Indebtedness Resolution, and the Resolution and the Subordinated Indebtedness Resolution have been duly and lawfully adopted by the Issuer, are in full force and effect and are valid and binding upon the

Issuer and enforceable in accordance with its terms, and no other authorization for the Resolution or the Subordinated Indebtedness Resolution is required, (ii) the Subordinated Indebtedness Resolution creates the valid pledge to the payment of the Bonds of the Subordinated Indebtedness Pledged Property which it purports to create pursuant to Section A-501 of the Subordinated Indebtedness Resolution, subject to the provisions of the Resolution and the Subordinated Indebtedness Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution and the Subordinated Indebtedness Resolution, respectively, and (iii) upon the execution and delivery thereof and upon authentication by the Trustee, the Bonds of such Series will be valid and binding special obligations of the Issuer payable as provided in, and enforceable in accordance with their terms and the terms of, the Resolution and the Subordinated Indebtedness Resolution and entitled to the benefits of the Acts, the Resolution and the Subordinated Indebtedness Resolution, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Acts, as amended to the date of such Counsel's Opinion, and in accordance with the Resolution and the Subordinated Indebtedness Resolution;

(C) A certificate of an Authorized Officer of the Issuer stating that upon the delivery of the Bonds of such Series, the Issuer will not be in default in the performance of any of the terms, provisions or covenants of the Resolution, the Subordinated Indebtedness Resolution or of any of the Bonds; provided, however, that solely with respect to Refunding Bonds being delivered on original issuance pursuant to Section A-203, such certificate shall not be a condition to the authentication and delivery of such Refunding Bonds if and to the extent that a certificate of an Authorized Officer of the Issuer is delivered stating that upon the delivery of such Refunding Bonds the Issuer will no longer be in default in the performance of the terms, provisions or covenants of the Resolution, the Subordinated Indebtedness Resolution or of any of the Bonds as specified in such certificate;

(D) A certificate of an Authorized Officer of the State stating that (i) to the best of such Authorized Officer's knowledge, no event of default under any Financing Agreements has occurred and is continuing nor will an event of default under any Financing Agreements occur as a result of the issuance of such Bonds, and (ii) the approval of the Director of the Budget for such financing;

(E) A copy of the Certificate of Determination, if any, executed in connection with such Series of Bonds;

(F) To the extent authorized by the Issuer pursuant to a Subordinated Indebtedness Supplemental Resolution, one or more Subordinated Indebtedness Credit Facilities with respect to any Series of Bonds and any agreements deemed necessary in connection therewith;

(G) A written order of an Authorized Officer of the Issuer as to the delivery of such Series of Bonds, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(H) A certificate of an Authorized Officer of the Issuer setting forth the amount of money, if any, to be deposited into the Subordinated Indebtedness Debt Service Fund, equal to (a) the amount of capitalized interest funded with the proceeds of the Bonds of such Series, if any, and (b) the sum of the interest on the Bonds of such Series, if any, from the date of the Bonds of such Series to the date of delivery thereof;

(I) Any amounts (in the form of cash or Investment Obligations) required to be deposited with the Trustee at the time of issuance and delivery of the Bonds of such Series;

(J) Copies of the Financing Agreement applicable to such Series of Bonds; and

(K) Such further documents and moneys as are required by the provisions of Sections A-202, or A-203, or Article A-IX or any Subordinated Indebtedness Supplemental Resolution adopted pursuant to Article A-IX hereof.

2. The Issuer may authorize by Subordinate Indebtedness Supplemental Resolution the issuance of Capital Appreciation Bonds, Deferred Income Bonds, Variable Interest Rate Bonds, Put Bonds or any other form of Bond not in conflict with the provisions hereof or of the applicable Subordinated Indebtedness Supplemental Resolution.

3. The Issuer may authorize by Subordinated Indebtedness Supplemental Resolution such other provisions relating to a Series of Bonds as are permitted by the Resolution and the Subordinated Indebtedness Resolution.

4. The Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall they be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution and the Subordinated Indebtedness Resolution.

**Section A-202. Special Provisions for Additional Bonds.** After the issuance of the initial Series of Bonds, one or more Series of Additional Bonds may be authorized and delivered upon original issuance for any Authorized Purpose, including payment of Costs of a Project and the refunding of Prior Obligations or Bonds or Subordinated Indebtedness Parity Reimbursement Obligations or other indebtedness, upon such conditions as the Issuer may determine in a Subordinate Indebtedness Supplemental Resolution.

**Section A-203. Refunding Bonds.** One or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds of one or more Series of Bonds or Subordinated Indebtedness Parity Reimbursement Obligations or any portion of a Series of Outstanding Bonds or Subordinated Indebtedness Parity Reimbursement Obligations, or any outstanding Prior Obligations, in each case including all or any portion of a maturity. The Issuer may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding (including by redemption, payment at maturity or in connection with exchanges or tenders) and to make such deposits required by the provisions of this Section and of the Subordinate Indebtedness Supplemental Resolution authorizing such Series of Refunding Bonds.

(A) In addition to the applicable requirements of Section A-201 hereof, Refunding Bonds of any Series issued to refund Outstanding Bonds or Subordinated Indebtedness Parity Reimbursement Obligations shall be authenticated by the Trustee or otherwise delivered by the Trustee upon the receipt by the Trustee of:

(1) If the Bonds to be refunded are to be redeemed, irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a Redemption Date specified in such instructions;

(2) If Bonds to be refunded are to be deemed paid, evidence of due publication of the notice provided for in Section A-1104 hereof to the Holders of the Bonds being refunded;

(3) If Bonds to be refunded are to be deemed paid, either or both of

(i) moneys in an amount sufficient to effect payment of the principal at the maturity date therefor (or on exchange or tender) or the Redemption Price on the applicable Redemption Date of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or Redemption Date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, and

(ii) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of said Section A-1104 hereof, which Government Obligations and moneys shall be held in trust and used only as provided in said Section; and

(4) Either (i) a certificate of an Authorized Officer of the Issuer (a) setting forth (A) the greatest amount of Calculated Debt Service on all Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds (including the Refunding Bonds then proposed to be issued but excluding the Bonds or Subordinated Indebtedness Parity Reimbursement Obligations to be refunded or purchased) and (B) the greatest amount of Calculated Debt Service on all Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds as calculated immediately prior to the issuance of the Refunding Bonds (including the Bonds or Parity Reimbursement Obligations to be refunded or purchased but excluding the Refunding Bonds) and (b) stating that the greatest amount of Calculated Debt Service on all Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (A) above is not greater than the greatest amount of Calculated Debt Service on all Outstanding Bonds and Subordinated Indebtedness Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (B) above; or (ii) the certificates required by Section A-202 with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that the Refunding Obligations then proposed to be issued will be Outstanding but the Bonds or Subordinated Indebtedness Parity Reimbursement Obligations to be refunded will no longer be Outstanding.

(B) In addition to the applicable requirements of Section A-201 hereof, Refunding Bonds of any Series issued to refund in whole or in part any Prior Obligations shall be authenticated or otherwise delivered by the Trustee upon the receipt by the Trustee of the certificates required to be delivered in connection with the issuance of Additional Bonds in Section A-202; and shall otherwise comply with any applicable requirements in connection with a refunding set forth in the resolutions which authorized the issuance of such Prior Obligations.

(C) The proceeds, including accrued interest, of such Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or determined in accordance with the Subordinated Indebtedness Supplemental Resolution authorizing such Refunding Bonds or the related Certificate of Determination.

**Section A-204. Subordinate Indebtedness Credit Facilities; Qualified Swaps and other similar arrangements; Subordinated Indebtedness Parity Reimbursement Obligations.**

(a) The Issuer may include such provisions in a Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination authorizing the issuance of a Series of Bonds secured by a Subordinated Indebtedness Credit Facility as the Issuer deems appropriate, including:

(1) So long as the Subordinated Indebtedness Credit Facility is in full force and effect, and payment on the Subordinated Indebtedness Credit Facility is not in default and the provider of the Subordinated Indebtedness Credit Facility is qualified to do business in the State, and (a) no proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the provider of the Subordinated Indebtedness Credit Facility in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrate (or other similar official) for the provider of the Subordinated Indebtedness Credit Facility or for any substantial part of its property or for the winding up or liquidation of the affairs of the provider of the Subordinated Indebtedness Credit Facility and such proceeding shall remain dismissed or unstated and in effect for a period of sixty (60) days or such court shall enter a decree or order granting the relief sought in such proceeding, or (b) the provider of the Subordinated Indebtedness Credit Facility shall not have commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall not have consented to the entry of an order for relief in an involuntary case under any such law, or shall not have consented to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the provider of the Subordinated Indebtedness Credit Facility or for any substantial part of its property, or shall not have made a general assignment for the benefit of creditors, or shall not have failed generally to pay its debts as they become due, or shall not have taken any corporate action with respect to any of the foregoing, then, in all such events, the provider of the Subordinated Indebtedness Credit Facility shall be deemed to be the sole Holder of the Outstanding Bonds the payment of which such Subordinated Indebtedness Credit Facility secures when the approval, consent or action of the Bondholders for such Bonds is required or may be exercised under the Resolution or this Subordinated Indebtedness Resolution, including, without limitation, Articles A-IX and A-X hereof, and following a default under Article A-XI hereof, except where the Subordinate Indebtedness Credit Facilities provide only liquidity support and not credit support.

(2) In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Bonds Outstanding, or the purchase price of puts in connection with such Bonds, shall be paid under the provisions of a Subordinated Indebtedness Credit Facility, all covenants, agreements and other obligations of the Issuer to the Bondholders of such Bonds shall continue to exist and such provider of the Subordinated Indebtedness Credit Facility shall be subrogated to the rights of such Bondholders in accordance with the terms of such Subordinated Indebtedness Credit Facility.

(b) In addition, such Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination may establish such provisions as are necessary (i) to comply with the provisions of each such Subordinated Indebtedness Credit Facility, (ii) to provide relevant information to the provider of the Subordinated Indebtedness Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on such Series of Bonds under the Subordinated Indebtedness Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the provider of a Subordinated Indebtedness Credit Facility.

(c) In connection therewith the Issuer may enter into such agreements with the issuer of such Subordinated Indebtedness Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such provider for the issuance of such Subordinated Indebtedness Credit Facility; (ii) the terms and conditions of such Subordinated Indebtedness Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Subordinated Indebtedness Credit Facility.

(d) The Issuer may secure such Subordinated Indebtedness Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Subordinated Indebtedness Supplemental Resolution. The Issuer may also in an agreement with the provider of such Subordinated Indebtedness Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Subordinated Indebtedness Credit Facility, together with interest thereon (the “Reimbursement Obligation”) solely from Subordinated Indebtedness Pledged Property; provided, however, that no Reimbursement Obligation shall be created, for purposes of this Subordinated Indebtedness Resolution, until amounts are paid under such Subordinated Indebtedness Credit Facility. Any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Bond, may be secured by a pledge of, and a lien on, Subordinated Indebtedness Pledged Property on a parity with the lien created by Section 501 of the Subordinated Indebtedness Resolution, but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Any Reimbursement Obligation conforming with the provisions of the previous sentence shall be deemed a “Subordinated Indebtedness Parity Reimbursement Obligation”. Subordinated Indebtedness Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds. Subordinated Indebtedness Parity Reimbursement Obligations may be evidenced by Bonds designated as “Bank Bonds.” Any such Subordinated Indebtedness Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Subordinated Indebtedness Credit Facility which gave rise to such Subordinated Indebtedness Parity Reimbursement Obligation relates.

(e) Any such Subordinated Indebtedness Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Subordinate Indebtedness Supplemental Resolution.

(f) In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Issuer also may enter into Qualified Swaps or, to the extent from time to time permitted pursuant to law, other similar arrangements if the Issuer determines that such Qualified Swaps or other similar arrangements will assist the Issuer in more effectively managing its interest costs. To the extent provided in a Subordinated Indebtedness Supplemental Resolution or related Certificate of Determination, the Issuer’s obligation to pay Qualified Swap Payments under any Qualified Swap may be secured by a pledge of, and a lien on, the Subordinated Indebtedness Pledged Revenues. Qualified Swap Payments may include any payments of any termination or other fees, expenses, indemnification or other obligations to a Qualified Swap Provider, or any payments that represent payment of interest thereunder in advance of the payment of interest on the Bonds to which such Qualified Swap relates.

(g) Subordinated Indebtedness Parity Reimbursement Obligations shall not be a debt of the State and the State shall not be liable thereon, nor shall Subordinated Indebtedness Parity

Reimbursement Obligations be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution and the Subordinated Indebtedness Resolution.

**Section A-205. Bond Anticipation Notes.** Whenever the Issuer shall have, by Subordinated Indebtedness Supplemental Resolution, authorized the issuance of a Series of Bonds, the Issuer, subject to the provisions of Section A-202, may by adoption of a Subordinate Indebtedness Supplemental Resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of such authorized Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such Series so authorized. The principal of and premium, if any, and interest on such Bond Anticipation Notes and any renewals of such Bond Anticipation Notes shall be payable only from (i) the proceeds of any renewals of such Bond Anticipation Notes issued to repay such Bond Anticipation Notes, (ii) the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued, (iii) any amounts provided by the State and/or the federal government expressly for payment of such Bond Anticipation Notes, or (iv) the proceeds of such Bond Anticipation Notes deposited in any Fund or account under the Subordinated Indebtedness Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Bond Anticipation Notes and any such pledge shall have priority over any other pledge created by the Subordinated Indebtedness Resolution. In any case, such Bond Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Bonds in anticipation of which they are issued. The proceeds of the sale of Bond Anticipation Notes, other than renewals thereof, shall be applied to the purposes for which the Bonds in anticipation of which such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or account established by the Subordinated Indebtedness Resolution for such purposes and, if so provided in the resolution authorizing renewals of Bond Anticipation Notes issued to pay outstanding Bond Anticipation Notes, applied directly to such payment. Interest earned on any amounts on deposit in any Fund or account under the Subordinated Indebtedness Resolution representing the proceeds of any Bond Anticipation Notes shall be applied in the manner set forth in the Subordinated Indebtedness Supplemental Resolution authorizing such Bond Anticipation Notes or the related Certificate of Determination. Nothing in this Section A-205 shall prevent the issuance of other notes, such as tax anticipation notes or revenue anticipation notes, or the providing for similar matters with respect thereto, as specified in the Subordinate Indebtedness Supplemental Resolution authorizing the issuance thereof.

**Section A-206. Additional Obligations.** The Issuer reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Issuer, so long as such bonds, notes or other obligations are not, or such indebtedness is not, except as provided herein, entitled to a charge, lien or right prior or equal to the charge or lien on the Subordinated Indebtedness Pledged Property created hereby, or prior or equal to the rights of the Issuer and Holders of Bonds.

## ARTICLE A-III

### GENERAL TERMS AND PROVISIONS OF BONDS

Except as otherwise provided by Subordinate Indebtedness Supplemental Resolution, the Bonds shall be subject to the terms and provisions of these Subordinate Indebtedness Standard Resolution Provisions.

**Section A-301. Medium of Payment; Form and Date.** 1. Except to the extent permitted by law and authorized with respect to a Series of Bonds in the related Subordinated Indebtedness Supplemental Resolution, the Bonds 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. Interest on the Bonds shall be payable as set forth in the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds. Except to the extent otherwise provided pursuant to a Subordinated Indebtedness Supplemental Resolution, the Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons. Any Subordinated Indebtedness Supplemental Resolution may contain such additional provisions regarding the registration, transfer and exchange of Bonds of such Series as are not inconsistent herewith, and any Subordinated Indebtedness Supplemental Resolution may provide for such Bonds to be designated and issued as “Bond Anticipation Notes”, “Tax Anticipation Notes” or “Revenue Anticipation Notes” and provide for the renewal thereof through the issuance from time to time of renewal notes.

2. Registered Bonds upon original issuance of a Series of Bonds shall be dated such date as set forth in the Subordinated Indebtedness Supplemental Resolution authorizing such Series of Bonds. Each Bond shall bear interest on the principal amount of such Bond Outstanding until paid or deemed paid in accordance with the terms of the Resolution and the Subordinated Indebtedness Resolution: (i) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or (ii) from the last preceding Interest Payment Date to which interest has been paid or the date of initial issuance of the Bonds if no interest thereon has been paid, and interest shall not accrue on unpaid interest.

3. Bonds, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in Exhibit One with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the Authorized Officers executing such Bonds, as evidenced by their execution of the Bonds. Such Bonds may also be designated “Tax Anticipation Notes” or “Revenue Anticipation Notes” and include such provisions relating to the renewal thereof as may be determined by the Authorized Officer executing such Bonds, as evidenced by their execution of the Bonds. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond, or as multiple pages (with or without such a reference). Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

**Section A-302. Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution, the Subordinated Indebtedness Resolution or an applicable Subordinate Indebtedness Supplemental Resolution as may be necessary or desirable and as may be determined by the Issuer prior to the delivery thereof.

**Section A-303. Execution and Authentication.** The Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of an Authorized Officer, or in such other manner as may be required by law. In case any one or more of the officers who shall have signed or attested any of the Bonds shall cease to be such officer before the Bonds so signed and attested shall have been actually authenticated and delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or attested such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed on behalf of the Issuer by such persons as at the actual time of the execution of such Bond shall be duly authorized to hold or hold the proper office in the Issuer, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office.

The provisions in this Subordinated Indebtedness Resolution relating to the requirement for authentication of Bonds, including the provisions of this paragraph, are subject to any provisions relating to execution of Bonds contained in the forepart of the Subordinated Indebtedness Resolution. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Subordinated Indebtedness Resolution, or applicable Subordinated Indebtedness Supplemental Resolution, executed manually by the Trustee. Only such Bonds as shall have endorsed thereon a certificate of authentication, duly executed by the Trustee, shall be entitled to any right or benefit under the Subordinated Indebtedness Resolution. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Subordinated Indebtedness Resolution unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under the Subordinated Indebtedness Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an Authorized Officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds.

**Section A-304. Exchange of Bonds.** Registered Bonds, upon surrender thereof at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by its registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

**Section A-305. Negotiability, Transfer and Registry.** All of the Bonds issued under the Subordinated Indebtedness Resolution shall be negotiable as provided in the Acts, subject to the provisions for registration and transfer contained herein and in the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be maintained and kept, at the office of the Trustee or other fiduciary, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Trustee or other fiduciary, shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Issuer shall make all necessary provisions to permit the exchange of Bonds at the office of the Trustee or other fiduciary.

**Section A-306. Book-Entry-Only System.** The Issuer may employ a book-entry-only system of registration with respect to any Bonds and may utilize the procedures regarding such registration set forth in this Section A-306, as such procedures may be modified or superseded pursuant to the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds. Any provisions of the Resolution or the Subordinated Indebtedness Resolution inconsistent with book-entry-only Bonds shall not be applicable to such book-entry-only Bonds.

Any Authorized Officer of the Issuer is hereby authorized to take all actions required for each Series of Bonds to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the Bonds, with Cede & Co., a nominee thereof, or any other nominee designated by DTC, being the initial registered owner of the Bonds. In the event that any Securities Depository resigns or is removed, any Authorized Officer of the Issuer may select a substitute Securities Depository. The Issuer and any Fiduciary, and any agent of the Issuer or any Fiduciary, may treat any Securities Depository in whose name any Bonds is registered as the owner of such Bond for all purposes under the Resolution and the Subordinated Indebtedness Resolution. For so long as the Securities Depository is the registered owner of the Bonds, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal, Sinking Fund Installments, if any, or Redemption Price, if any, of and interest on such Bonds so held shall be in accordance with arrangements among the Trustee, the Issuer and the Securities Depository.

So long as the Bonds are registered in the name of the Securities Depository, the Issuer and the Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any notice with respect to the Bonds, including any notice of redemption or tender, (iii) if less than all of the Bonds of a maturity are to be redeemed prior to maturity, the selection of Bonds to be so redeemed, or (iv) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any amount with respect to the principal of or Redemption Price or interest on the Bonds.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Series of Bonds. Notice of such termination shall be given by the Issuer to the Trustee prior to or simultaneously with such termination. In the event the book-entry-only system is discontinued with respect to the Bonds, principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds shall be paid as provided in the Subordinated Indebtedness Resolution.

Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Bonds of a Series and registered in the name of the Securities Depository or its nominee. There shall be no physical distribution of bonds or other certificates to beneficial owners of such Bonds. In the event that the Bonds do not qualify to be held by the Securities Depository or that either the Issuer determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Bonds and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by the Subordinated Indebtedness Resolution.

Unless otherwise directed by an Authorized Officer of the Issuer, “CUSIP” identification numbers will be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. As a convenience to the Holders of the Bonds, the Issuer and the Trustee may use such CUSIP numbers in any notices to the Holders of the Bonds, including any notices of redemption of the Bonds. Failure on the part of the Issuer or the Trustee to use such CUSIP numbers in any notice to Holders of the Bonds shall not constitute an Event of Default

or any similar violation of the Issuer's contract with such Holders or have any affect on the validity of such notice. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers.

**Section A-307. Transfer of Registered Bonds.** The transfer of each registered Bond shall be registerable only upon the books of the Issuer, which shall be kept for the purpose at the office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Issuer or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such registration of transfer. Upon the registration of transfer of any such registered Bond the Issuer shall issue or cause to be issued in the name of the transferee, and cause the Trustee to authenticate, a new registered Bond or Bonds of the same aggregate principal amount, Series, maturity and tenor as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Trustee.

The Issuer, the Trustee and each Paying Agent or Securities Depository may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Issuer maintained at the office of the Trustee as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, nor any Paying Agent shall be affected by any notice to the contrary. The Issuer agrees to indemnify and save the Trustee and each Paying Agent or Depository harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating such registered owner.

**Section A-308. Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Bonds or registering the transfer of Bonds is exercised, the Issuer shall execute and deliver, and the Trustee shall authenticate, Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or registration of transfer of Bonds, whether temporary or definitive, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (i) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) in the case of a registered Bond issued upon the first exchange or registration of transfer of a Bond or Bonds surrendered for such purpose within sixty (60) days after the first authentication and delivery of any of the Bonds of the same Series, or (iii) as otherwise provided in the Subordinated Indebtedness Resolution, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or registration of 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 Trustee shall not be obliged to make any such exchange or transfer of Bonds of any Series during the period beginning on the Record Date for such Bonds next preceding an Interest Payment Date on such Bonds and ending on such Interest Payment Date, or, in the case of any proposed redemption of Bonds of such Series, after the date next preceding the date of the selection of such Bonds to be redeemed.

**Section A-309. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall thereupon execute and deliver, and the Trustee shall authenticate, a new Bond of like Series, maturity, principal amount and tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or

lost, upon filing with the Issuer evidence satisfactory to the Issuer and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Issuer and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Trustee may prescribe and paying such expenses as the Issuer and the Trustee may incur. All Bonds so surrendered to the Issuer or the Trustee shall be canceled by or on behalf of the Issuer. In case any Bond which has matured or is about to mature shall have become mutilated or have been destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of such mutilated Bond upon the surrender on or after the maturity date thereof, or authorize the payment of such destroyed, lost or stolen Bond, upon the Holder thereof filing evidence satisfactory to the Issuer and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Issuer and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Trustee may prescribe and paying such expenses as the Issuer and the Trustee may incur in connection therewith.

**Section A-310. Cancellation of Bonds.** All Bonds that have been paid (whether at maturity, redemption, purchase or otherwise) shall be delivered to the Trustee when such payment is made, and such Bonds shall thereupon be promptly canceled by the Trustee and delivered to the Issuer and no such Bonds shall be deemed Outstanding Bonds.

## ARTICLE A-IV

### REDEMPTION OF BONDS

Except as otherwise provided by Subordinate Indebtedness Supplemental Resolution, the Bonds shall be subject to the terms and provisions of these Subordinated Indebtedness Standard Resolution Provisions.

**Section A-401. Authorization of Redemption of an Applicable Series.** Bonds of a Series subject to redemption prior to maturity pursuant hereto or to a Subordinated Indebtedness Supplemental Resolution shall be redeemable, in accordance with this Article A-IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein, in the Bonds or in the Subordinated Indebtedness Supplemental Resolution authorizing such Series.

**Section A-402. Redemption at the Election of the Issuer.** In the case of any redemption of Bonds of a Series at the election of the Issuer, such Bonds may be redeemed at the option of the Issuer as provided in the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds. In exercising such option, the Issuer shall give written notice to the Trustee and any Paying Agent of its election to redeem, including the Series designation, the principal amounts and the maturities of such Bonds so elected. The Series designation, maturities and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained herein. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which the Bonds of such Series are to be redeemed, or such fewer number of days as shall be acceptable to the Trustee.

**Section A-403. Redemption other than at Issuer's Election.** Whenever by the terms of the Subordinated Indebtedness Resolution, Bonds are required to be redeemed otherwise than at the election of the Issuer, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of money available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of this Article A-IV. The Trustee shall have no liability in making such selection.

**Section A-404. Selection of Bonds to Be Redeemed.** In the event of redemption of less than all of the Outstanding Bonds of a Series and maturity, the Trustee shall assign to each such Outstanding Bond of such Series and maturity or portion of a maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as in this Section A-404 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds of such Series drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of such Bonds and select part of any such Bonds for redemption.

**Section A-405. Notice of Redemption.** Subject to the provisions of Section A-306 hereof, whenever Bonds of any Series are to be redeemed, the Trustee shall give notice of the redemption

of such Bonds in the name of the Issuer, which notice shall be given by first-class mail, postage prepaid to the Bondholders of such Series which are to be redeemed, at their last known addresses, if any, appearing on the registration books of the Issuer at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date. The Trustee shall promptly certify to the Issuer that it has mailed or caused to be mailed such notice to such Bondholders, and such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any such Bondholder to receive notice shall not affect the validity of the proceedings for the redemption of Bonds with respect to which notice has been given in accordance with this Section A-405. Such notice shall specify: (i) the Bonds to be redeemed (including the Series, date of issue, interest rate and maturities and, if any maturity shall include Bonds bearing different interest rates and all Bonds of such maturity are not being redeemed, interest rate of the Bonds to be redeemed), (ii) the Redemption Date and Redemption Price, (iii) the numbers, any CUSIP number and other distinguishing marks of such Bonds to be redeemed (except in the event that all of the Outstanding Bonds of such Series are to be redeemed), (iv) if less than all of the Bonds of any like tenor, Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, (v) if applicable, that such notice is conditional and the conditions that must be satisfied, and (vi) that such Bonds will be redeemed at the office of the Trustee. Such notice shall further state that on the Redemption Date there shall become due and payable upon each Bond of such Series to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date, and that from and after the Redemption Date, payment having been made or provided for, interest thereon shall cease to accrue. If directed in writing by the Issuer, the Trustee shall also publish or cause to be published such notice in an Authorized Newspaper and such publication shall be not less than thirty (30) days nor more than forty-five (45) days prior to the Redemption Date, but such publication shall not be a condition precedent to such redemption and failure to so publish or any defect in such notice or publication shall not affect the validity of the proceedings for the redemption of Bonds. Any notice of optional or extraordinary redemption given pursuant to this Section may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

In addition, the Trustee shall mail a copy of the notice of redemption to such additional Persons as may be specified in the Subordinated Indebtedness Supplemental Resolution authorizing such Series.

**Section A-406. Payment of Redeemed Bonds.** Notice having been mailed in the manner provided in Section A-405 hereof, the Bonds of such Series or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office or offices specified in such notice, together with, in the case of such Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or such owner's duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be drawn for redemption less than all of the principal amount of a Bond of a Series, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance or the principal amount of such Bond so surrendered, Bonds of like Series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all Bonds of such Series or portions thereof to be redeemed, together with interest to the

Redemption Date, shall be held by the Trustee so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the Redemption Date, interest on such Bonds or portion thereof so called for redemption shall cease to accrue and such Bonds will no longer be considered to be Outstanding under this Resolution. If such moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

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## ARTICLE A-V

### ESTABLISHMENT OF FUNDS

#### **Section A-501. The Pledge Effected by the Subordinated Indebtedness Resolution.**

1. The Bonds are special obligations of the Issuer payable solely from the sources set forth in this subsection. There is hereby pledged for the payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds and of Subordinated Indebtedness Parity Reimbursement Obligations, in accordance with their terms and the provisions of the Subordinated Indebtedness Resolution, subject only to the provisions of the Subordinated Indebtedness Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Subordinated Indebtedness Pledged Property; provided, however, such pledge and the lien upon the Subordinated Indebtedness Pledged Property are subject to and subordinate to the pledge and lien on the Pledged Property (as defined in the Resolution) as security for the payment of the principal, sinking fund installments, if any, and redemption price and interest on the Senior Bonds and the Senior Parity Reimbursement Obligations. Such pledge is for the equal and proportionate benefit and security of all and singular the present and future Holders of Bonds and obligees of Subordinated Indebtedness Parity Reimbursement Obligations issued and to be issued under the Subordinated Indebtedness Resolution, without preference, priority or distinction, except as otherwise herein provided, of any one Bond or Subordinated Indebtedness Parity Reimbursement Obligation over any other Bond or Subordinated Indebtedness Parity Reimbursement Obligation, by reason of priority in the issue, sale or negotiation thereof or otherwise.

2. The Issuer hereby represents and warrants that under the Enabling Act (i) the pledge set forth in subsection 1 of this Section A-501 is and shall be valid and binding from and after the date of issuance and delivery of the first Series of Bonds, and the items set forth in such pledge are and shall be immediately subject to the lien of such pledge without any physical delivery thereof or further act and the lien of such pledge is and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof; and (ii) neither the Resolution, the Subordinated Indebtedness Resolution nor any other instrument need be recorded or filed to protect the pledge set forth in subsection 1 of this Section A-501.

3. The revenues, facilities, properties and any and all other assets of the Issuer, or of any subsidiary thereof, other than the Subordinated Indebtedness Pledged Property, shall not be used for, or as a result of any court proceeding or otherwise, applied to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price, of and interest on the Bonds, and under no circumstances shall the aforementioned be available for such purpose, nor shall there be any recourse against any other assets, revenues or funds of or other payments due to the Issuer, other than the Subordinated Indebtedness Pledged Property.

4. The State has no obligation to continue the imposition of the taxes or the sources of any other funds deposited in the Revenue Bond Tax Fund pursuant to Section 92-z, nor to maintain such taxes or the sources of any other funds at any minimum level, and moneys in the Revenue Bond Tax Fund are not pledged to the payment of the Bonds or Subordinated Indebtedness Parity Reimbursement Obligations prior to appropriation and transfer to the Issuer or the Trustee.

5. The obligation of the Comptroller under Section 92-z with respect to moneys on deposit in the Revenue Bond Tax Fund are subject to the rights of holders of debt of the State.

6. Nothing contained in this Section A-501 shall be deemed a limitation upon the authority of the Issuer to issue bonds, notes or other obligations under the Issuer Act secured by other income and funds other than the Subordinated Indebtedness Pledged Property.

**Section A-502. Establishment of Funds.** Funds and accounts shall be established as authorized by Article V of the Resolution.

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## ARTICLE A-VI

### PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Holders of the Bonds as follows:

**Section A-601. Payment of Bonds.** The Issuer shall duly and punctually pay or cause to be paid the principal, Sinking Fund Installments, if any, Redemption Price of, and interest on every Bond, at the dates and places and in the manner set forth in the Bonds according to the true intent and meaning thereof.

**Section A-602. Extension of Payment of Bonds.** The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution or the Subordinated Indebtedness Resolution, to the benefit of the Resolution or the Subordinated Indebtedness Resolution, respectively, or to any payment out of any assets of the Issuer or the Funds and accounts (except Funds and accounts held in trust for the payment of particular Bonds or claims for interest pursuant to the Subordinated Indebtedness Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing herein shall be deemed to limit the right of the Issuer to issue Refunding Bonds as permitted hereby and by the Issuer Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

**Section A-603. Offices for Servicing Bonds.** The Issuer shall at all times maintain an office or agency in the State, where Bonds may be presented for payment, registration, transfer or exchange and where notices, presentations and demands upon the Issuer in respect of the Bonds or of this Subordinated Indebtedness Resolution may be served. The Issuer hereby appoints the Trustee as its agent to maintain such office or agency in the State for the registration, transfer or exchange of Bonds, for the authentication of Bonds, and for the payment of Bonds.

**Section A-604. Further Assurance.** At any time and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the Subordinated Indebtedness Pledged Property hereby pledged or assigned, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign. The Issuer further covenants that it shall use its best efforts, to the extent authorized by law, to cause the Director of the Budget to make and deliver the certificates referred to in Section A-607 hereof at the times required therein and shall cause the amounts so received to be deposited in the appropriate Funds.

**Section A-605. Power to Issue Bonds and Subordinated Indebtedness and Pledge Revenues and Other Funds.** The Issuer is duly authorized under the Acts, and all applicable laws to create and issue the Bonds, to adopt the Resolution and the Subordinated Indebtedness Resolution and to pledge the Subordinated Indebtedness Pledged Property purported to be pledged by the Subordinated Indebtedness Resolution in the manner and to the extent provided in the Subordinated Indebtedness Resolution. Except to the extent otherwise provided in Section A-501 of the Subordinated Indebtedness Resolution, which provides for the pledge of the Subordinated Indebtedness Pledged Property to be subject to and subordinate to the pledge of the Pledged Property (as defined in the Resolution) as security

for the Senior Bonds and the Senior Parity Reimbursement Obligations, the Subordinated Indebtedness Pledged Property is and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Subordinated Indebtedness Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of the Subordinated Indebtedness Resolution are and will be the valid and legally enforceable special obligations of the Issuer in accordance with their terms and the terms of the Subordinated Indebtedness Resolution. The Issuer further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Subordinated Indebtedness Pledged Property and all of the rights of the Bondholders under the Subordinated Indebtedness Resolution against all claims and demands of all persons whomsoever.

**Section A-606. Creation of Liens.** Except in accordance with the provisions of Section A-612 of the Resolution and Section A-612 hereof, the Issuer shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, Subordinated Indebtedness Parity Reimbursement Obligations and Bond Anticipation Notes, secured by an equal or prior pledge of all or any part of the Subordinated Indebtedness Pledged Property, and shall not create or cause to be created any equal or prior lien or charge on the Subordinated Indebtedness Pledged Property except as provided in the Resolution or this Subordinated Indebtedness Resolution; provided, however, that nothing contained in the Subordinated Indebtedness Resolution shall prevent the Issuer from issuing evidences of indebtedness payable out of, or secured by a pledge of, Subordinated Indebtedness Revenues to be derived on and after such date as the pledge of the Subordinated Indebtedness Revenues provided in the Subordinated Indebtedness Resolution shall be discharged and satisfied as provided in Section A-1104.

**Section A-607. Certificate of the Director of the Budget.** 1. In order to assure the maintenance of the Funds and accounts held under the Resolution and the Subordinated Indebtedness Resolution, not later than thirty days after the submission of the executive budget for the ensuing State Fiscal Year in accordance with the State Constitution, the Issuer shall to the extent authorized by law use its best efforts to enforce the obligation set forth in the Financing Agreement of the Director of the Budget to certify to the Comptroller in accordance with subdivision 5(b) of Section 92-z and this Section A-607 a schedule setting forth the following:

- (A) The amount of receipts certified and estimated to be deposited on a monthly basis to the Revenue Bond Tax Fund; and
- (B) The amount of monthly cash requirements so certified by the Director of the Budget for such State Fiscal Year which shall be at least equal to:
  - (i) all payments of principal, Sinking Fund Installments, if any, and Redemption Price, of Outstanding Bonds due in such State Fiscal Year;
  - (ii) the amounts required to pay all interest on Outstanding Bonds (including interest at the Estimated Average Interest Rate for Variable Interest Rate Bonds or under the related Reimbursement Obligation) and any additional amounts due with respect to related Subordinated Indebtedness Parity Reimbursement Obligations due in such State Fiscal Year;
  - (iii) all Subordinated Indebtedness Issuer Expenses for such State Fiscal Year;
  - (iv) all principal of and interest or other amounts payable from the Subordinated Payment Fund and due in such State Fiscal Year;

(v) any amounts required to rebate to the Department of the Treasury of the United States of America and not otherwise held in the Funds and accounts under the Subordinated Indebtedness Resolution;

(vi) all other payment requirements referred to in the Enabling Act for such State Fiscal Year.

2. The schedule accompanying the certificate of the Director of the Budget shall also provide for payments as the Director of the Budget deems appropriate to ensure that sufficient funds will be available from the sources, including without limitation revenues derived from the taxes and fees deposited in the Revenue Bond Tax Fund in accordance with Section 92-z, to enable the Issuer to meet its obligations under the Resolution and the Subordinated Indebtedness Resolutions they become due; provided, however, that such schedule shall require the Comptroller to set aside, on a monthly basis, amounts in the Revenue Bond Tax Fund such that the combined total of (i) the amounts previously set aside and on deposit in the Revenue Bond Tax Fund, and (ii) the monthly amounts provided for in paragraph A of subdivision 1 of this Section A-607 required to be deposited to the Revenue Bond Tax Fund in such month is not less than one hundred twenty-five percent (125%) of the monthly cash requirements, as required by paragraph B of subdivision 1 of this Section A-607, to be paid by the Comptroller to the Trustee, on behalf of the Issuer, in the following month. Financing Agreement Payments, including Subordinated Indebtedness Financing Agreement Payments, shall be paid to the Trustee on or before the fifth Business Day preceding the date on which such payment is due; and provided, further, that to ensure sufficient funds will be available from the sources just described to meet the Issuer's obligations when due, such schedule shall require the Comptroller to pay (x) all moneys set aside pursuant to subdivision 5 of Section 92-z less (y) the Issuer's estimate of investment earnings available therefor on Funds and accounts established hereunder and other amounts available hereunder, which such estimate shall be made at least once each calendar month prior to the making of any transfer pursuant to subdivision 5 of Section 92-z.

3. The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the schedule required to accompany such certification, from time to time, to assure that such certification, together with the accompanying schedule, accurately sets forth any and all amounts required or projected by the Issuer for the purposes and at the times prescribed by subdivision 5 of Section 92-z. The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the accompanying schedule if additional amounts are required to make any payment of principal, Sinking Fund Installments, if any, and Redemption Price of or interest on Bonds or with respect to Subordinated Indebtedness Parity Reimbursement Obligations.

4. In any event, whether or not there has been any intervening requirement to revise such certificate under paragraph 3 of this Section, promptly but in no event later than 30 days after the date of the issuance of any Series of Bonds hereunder or the issuance of any Subordinated Indebtedness Parity Reimbursement Obligation, or other evidence of indebtedness payable from the Subordinated Payment Fund or otherwise, the Director of the Budget shall submit a revised certification, together with the accompanying schedule, which accurately sets forth any and all amounts required or projected to be required by the Issuer as of such date for the purposes and at the times prescribed by the terms of this Section.

5. The agreement of the State under Section 68-c shall be deemed executory only to the extent of appropriations available for payments under Section 68-c and no liability on account of any such payment shall be incurred by the State beyond such appropriations.

**Section A-608. Agreement With the Director of the Budget.** The Issuer shall only issue or incur Bonds (including Refunding Bonds), Subordinated Indebtedness Parity Reimbursement Obligations or other obligations under the Subordinated Indebtedness Resolution (including obligations incurred pursuant to Section A-204 of the Resolution) with the written approval of the Director of the Budget. The Issuer shall enter into one or more Financing Agreements with the State, acting through the Director of the Budget, as provided in subdivision 1 of Section 68-c providing for the specific manner, timing and amount of payments to be made under Section 68-c and the Resolution and the Subordinated Indebtedness Resolution. The Issuer shall approve the form and substance of such Financing Agreement with respect to any Series of Bonds prior to or concurrently with the adoption of the applicable Subordinated Indebtedness Supplemental Resolution and shall use its best efforts, to the extent permitted by law, to take all steps necessary or appropriate to enforce such Financing Agreement and to assure compliance by the State therewith. The Issuer shall not enter into any such Financing Agreement that is not in conformity with the Acts, the Resolution and the Subordinated Indebtedness Resolution.

**Section A-609. Agreement With the State.**

1. In accordance with the provisions of the Enabling Act and to the extent applicable, the Issuer hereby includes in the Subordinated Indebtedness Resolution, to the fullest extent enforceable under applicable federal and State law, the pledge to and agreement with the Holders of the Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations or other obligations issued or incurred hereunder made by the State and set forth in the Acts that the State will not in any way impair the rights and remedies of such Holders until such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations and other obligations issued or incurred hereunder, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged.

2. Notwithstanding any other provision of this Subordinated Indebtedness Resolution, nothing contained in the Acts, the Resolution or the Subordinated Indebtedness Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to taxes imposed pursuant to Article 22 of the Tax Law. The Issuer and the Holders of the Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations and other obligations issued under this Subordinated Indebtedness Resolution expressly agree that it shall be an integral part of the contract arising under this Subordinated Indebtedness Resolution that no default hereunder occur as a result of the State exercising its right to amend, repeal, modify or otherwise alter any such tax.

**Section A-610. Amendment of Financing Agreements.** The Issuer shall not amend, change, modify, alter or terminate any Financing Agreement so as to materially adversely affect the right, security and interest of the Holders of the Outstanding Bonds without the prior written consent of the provider of a Subordinated Indebtedness Credit Facility, if any, affected thereby, or, in the event that there is no Subordinated Indebtedness Credit Facility in place with respect to the Series of Bonds affected thereby, without the prior written consent of at least a majority in aggregate principal amount of the Holders of the Bonds then Outstanding and affected thereby; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the providers of the Subordinated Indebtedness Credit Facility, if any, or the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. Any Financing Agreement may be amended, supplemented, changed, modified or altered without the consent of the provider of the Subordinated Indebtedness Credit Facility, if any, or the Holders of Outstanding Bonds to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, or the

providing, furnishing and equipping of a Project or which may be added to such Project, or to provide for additional Financing Agreement Payments; and any Financing Agreement may be amended, supplemented, changed, modified or altered without such consent to cure any ambiguity, or to correct or supplement any provisions contained in any Financing Agreement, which may be defective or inconsistent with any other provisions contained herein or in such Financing Agreement and which the Issuer determines will not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds or the provider of a Subordinated Indebtedness Credit Facility, as the case may be. In no event shall changes relating solely to Projects, including schedules related thereto, be deemed to materially adversely affect such Holders or providers of Subordinated Indebtedness Credit Facilities. Upon execution by the Issuer of any amendment, a copy thereof certified by the Issuer shall be filed with the Trustee and each provider of the Subordinated Indebtedness Credit Facility affected thereby.

For the purposes of this Section, Bonds shall be deemed to be materially adversely affected by an amendment, change, modification or alteration of any Financing Agreement if the same materially adversely affects or diminishes the rights, security and interest of the Holders of the Bonds or the provider of a Subordinated Indebtedness Credit Facility, as the case may be. The Issuer may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds or the right, security and interest of the Holders of Outstanding Bonds or the provider of a Subordinated Indebtedness Credit Facility, as the case may be, would be materially adversely affected by any amendment, change, modification or alteration, and any such determination shall be binding and conclusive on the provider of a Subordinated Indebtedness Credit Facility, the Trustee and all Holders of Bonds; and, provided further, however, any such amendments deemed necessary by the Issuer to effect any assumption, extinguishment and substitution authorized by Section A-612 of the Subordinate Indebtedness Resolution shall not be deemed to materially adversely affect the Bonds.

For all purposes of this Section, the Issuer shall be entitled to rely upon a Counsel's Opinion (a copy of which shall be provided by the Issuer to any provider of a Subordinated Indebtedness Credit Facility thereby affected), with respect to whether any amendment, change, modification or alteration materially adversely affects the right, security and interest of any Holders of Bonds and any provider of a Subordinated Indebtedness Credit Facility of a Series then Outstanding.

**Section A-611. Enforcement of Duties and Obligations of the State.** The Issuer shall use its best efforts, to the extent permitted by law, to cause the State to perform fully all duties and acts and comply fully with the covenants of the State required by any Financing Agreement in the manner and at the times provided in such Financing Agreement provided, however, that the Issuer may delay, defer or waive enforcement of one or more provisions of said Financing Agreement (other than provisions requiring the payment of moneys to any Fund or account established hereunder), if the Issuer determines such delay, deferment or waiver will not materially adversely affect the right, security and interest of the Holders of the Bonds of the applicable Series or the issuer of any Subordinated Indebtedness Credit Facility.

**Section A-612. Reservation of State Rights of Assumption, Extinguishment and Substitution.**

1. It is expressly understood and agreed by the Issuer and the Holders or other obligees of Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, and other obligations issued or incurred under this Subordinated Indebtedness Resolution to be an integral part of the contract arising under this Subordinated Indebtedness Resolution that, in accordance with subdivision 6 of Section 68-c, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that include the Subordinated Indebtedness Revenues pledged under this Subordinated

Indebtedness Resolution, (i) to assume, in whole or in part, the Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, and other obligations of the Issuer issued or incurred under this Subordinated Indebtedness Resolution, (ii) to extinguish the existing lien on Subordinated Indebtedness Pledged Property created under this Subordinated Indebtedness Resolution, and (iii) to substitute security or source of payment for such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, and other obligations issued or incurred under this Subordinated Indebtedness Resolution, in each case only so long as such assumption, extinguishment and substitution is accomplished in accordance with either of subdivisions 2 or 3 of this Section. (Any Bonds paid or deemed to have been paid in accordance with Section A-1104 on or before the date of any assumption, extinguishment and substitution shall not be taken into account in determining compliance with the provisions of subdivisions 2 and 3.)

2. Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

(i) the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, or other obligations issued or incurred under this Subordinated Indebtedness Resolution as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, or other obligations; and

(ii) any State Revenue Bonds resulting from such assumption, extinguishment and substitution shall be secured by revenues that may include all the Subordinate Indebtedness Revenues securing the Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, or other obligations issued or incurred under this Subordinated Indebtedness Resolution as of the day immediately preceding such assumption, or payment of the Bonds and Subordinated Indebtedness Parity Reimbursement Obligations shall remain in full force and effect in substantially the form they existed immediately prior to such assumption, extinguishment and substitution and shall not have been amended in connection therewith except to the extent necessary or convenient to permit the Revenues, including the Subordinated Indebtedness Revenues, and the Revenue Bond Tax Fund to be sources of payment or security for the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution; provided, however, that in connection with any such assumption, extinguishment and substitution, it is expressly understood and agreed by all Bondholders and all providers of Subordinated Indebtedness Credit Facilities that the Enabling Act may be amended to delete the transfer from the general fund as set forth in paragraph (b) of subdivision 5 of Section 92-z and paragraph (a) of subdivision 5 of Section 92-z may be amended to delete the requirement that Financing Agreement Payments, including Subordinated Indebtedness Financing Agreement Payments, be appropriated before any moneys held pursuant to such Section 92-z are transferred to the general fund; and

(iii) any resolution or trust agreement securing the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution shall contain limitations on amendment powers no less restrictive than those set forth in Articles A-IX and A-X, and shall include events of default to the effect of those contained in Section A-1101(a), (f) and (g) and shall grant the remedies contained under Section A-1102(1) and (2), provided that the Comptroller or the Attorney General of the State may serve in the capacity of the Trustee for such purposes and the State or other issuer of State Revenue Bonds may be substituted for the Issuer in

Section A-1101(1), and shall include defeasance provisions no less restrictive than those set forth in Section A-1104; and

(iv) the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, and other obligations issued or incurred under the Subordinated Indebtedness Resolution shall have the same or superior priority of claim on the revenues securing such obligations as that provided by the Subordinated Indebtedness Resolution; and

(v) any resolution or trust agreement securing the State Revenue Bonds resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, and other obligations secured under the Subordinated Indebtedness Resolution shall contain a covenant of the State substantially to the effect of the covenant contained in Section A-609(1); and

(vi) the Issuer shall furnish the Trustee and any provider of a Subordinated Indebtedness Credit Facility with a Counsel's Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution (A) complies with the provisions of this Section and the Enabling Act and (B) will have no adverse effect on the federal or State tax status of interest on the Bonds.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to this Section A-612(2) (or brief summary thereof or reference thereto) shall be mailed by the Issuer to such Bondholders and providers of Subordinated Indebtedness Credit Facilities to the extent affected thereby (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when effected as in this Section A-612(2) provided).

3. Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

(i) the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, or other obligations issued or incurred under the Subordinated Indebtedness Resolution as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Subordinated Indebtedness Parity Reimbursement Obligations, or other obligations; and

(ii) with respect to all Bonds Outstanding, written consent to such assumption, extinguishment and substitution shall be given as hereinafter provided by the Holders of at least a majority in principal amount of such Bonds Outstanding at the time such consent is given; and

(iii) the Issuer shall furnish the Trustee and any provider of a Subordinated Indebtedness Credit Facility with a Counsel's Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution complies with the provisions of this Section and the Enabling Act.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to this Section A-612(3) (or brief summary thereof or reference thereto) together

with a request to the Bondholders indicated above for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when consented to as in this Section A-612(3) provided). No such assumption, extinguishment and substitution pursuant to this subdivision shall be effective unless and until there shall have been filed with the Issuer (i) the written consents of Holders of the percentages of Outstanding Bonds specified in this subdivision 3, and (ii) the aforementioned Counsel's Opinion. Each such consent of a Bondholder shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section A-1201. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that such Authorized Officer has examined such proof and that such proof is sufficient in accordance with Section A-1201 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in Section A-1201 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer hereinafter in this Section A-612(3) provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that such assumption, extinguishment and substitution have been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such assumption, extinguishment and substitution from becoming effective and binding as in this Section provided) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents and the written statement of the Issuer herein above provided for is filed (but failure to publish such notice shall not prevent such assumption, extinguishment and substitution from becoming binding as in this Section provided). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by this Section to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such assumption, extinguishment and substitution shall be deemed conclusively binding upon the State, the Issuer, the Trustee, and the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such assumption, extinguishment and substitution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such assumption, extinguishment and substitution as it may deem expedient.

4. Upon the effective date of any such assumption, extinguishment and substitution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may

be desirable to evidence such discharge and satisfaction, and the Trustee and any Paying Agents shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Subordinated Indebtedness Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption.

**Section A-613. Accounts and Reports.** The Issuer shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all its transactions relating to all Funds and accounts established by the Subordinated Indebtedness Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than twenty-five per cent (25%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The Issuer may authorize or permit the Trustee or its duly authorized agents to keep any or all of such books on behalf of the Issuer.

**Section A-614. Tax Covenants.** 1. The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds issued as Tax-Exempt Bonds shall be not included in the gross income of the owners thereof for purposes of federal income taxation.

2. Notwithstanding the foregoing, the Issuer hereby reserves the right, in a Subordinated Indebtedness Supplemental Resolution authorizing the issuance of obligations, to elect to issue Taxable Bonds.

**Section A-615. General.** The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Acts and the Resolution and the Subordinated Indebtedness Resolution in accordance with the terms of such provisions.

Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State, including the Acts and the Resolution and the Subordinated Indebtedness Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State.

**Section A-616. Notice as to Event of Default.** The Issuer shall notify the Director of the Budget, the Comptroller, each issuer of a Subordinated Indebtedness Credit Facility and the Trustee in writing that an "Event of Default," as such term is defined in Section A-1101 hereof, has occurred and is continuing, which notice shall be given within thirty (30) days after the Issuer has obtained actual knowledge thereof; provided, however, that the Issuer shall provide each of the foregoing with immediate notice of any payment default after the Issuer has obtained actual knowledge thereof.

**Section A-617. Other Bonds Authorized by the Enabling Act.** The Bonds authorized by the Subordinated Indebtedness Resolution are authorized by the Enabling Act. All bonds issued pursuant to the Enabling Act and payable from the Subordinated Payment Fund, whenever issued and by whichever Authorized Issuer, have equal claim to all moneys available subject to appropriation from the Revenue Bond Tax Fund pursuant to the Enabling Act, and further subject to provisions in the Resolution, the Subordinate Indebtedness Resolution or other such resolutions authorizing such bonds relating to subordination.

## ARTICLE A-VII

### INVESTMENT OF FUNDS

#### Section A-701. Investment of Funds.

1. Amounts in the Funds and accounts established by Section 502 of the Subordinated Indebtedness Resolution may be invested only in Investment Obligations. The Trustee shall make such investments in any Funds or accounts held by the Trustee in accordance with any instructions received from an Authorized Officer of the Issuer. Except as otherwise provided in the resolution authorizing any series of Bond Anticipation Notes, interest earned by the investment of moneys in each Fund or account hereunder shall be held, deposited or transferred in accordance with Article V of the Resolution and Article V of the Subordinated Indebtedness Resolution. The Trustee shall have no obligation to invest or reinvest amounts as contemplated hereby except upon the direction of an Authorized Officer of the Issuer as to specific investments. Any such direction, if not in writing, shall be promptly confirmed in writing.

2. Investment Obligations on deposit in the Funds and accounts held under this Subordinated Indebtedness Resolution shall have maturity dates, or shall be subject to redemption or tender at the option of the Issuer or the Trustee on the respective dates specified by an Authorized Officer of the Issuer, as appropriate, which dates shall be on or prior to the respective dates on which the moneys invested therein are expected to be paid for the purposes of such Funds and accounts. The Issuer, or the Trustee, upon the instructions of an Authorized Officer of the Issuer, shall sell any Investment Obligations held in any Fund or account to the extent required for payments from such Fund or account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or account to the extent required to meet the requirements of such Fund or account. Losses, if any, realized on Investment Obligations held in any Fund or account shall be debited to such Fund or account. In computing the amount of such Funds and accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value, plus accrued interest. Accrued interest received upon the sale of any Investment Obligation to the extent such amount exceeds any accrued interest paid on the purchase of such Investment Obligation shall be treated as interest earned on such Investment Obligation for purposes of this Section.

3. Nothing in the Subordinated Indebtedness Resolution shall prevent any Investment Obligations acquired as investments of or security for any Fund, account or subaccount held under the Resolution from being held in book-entry form.

## ARTICLE A-VIII

### CONCERNING THE TRUSTEE AND THE PAYING AGENTS

**Section A-801. Trustee; Appointment and Acceptance of Duties.** The Trustee shall be appointed in the Subordinated Indebtedness Supplemental Resolution authorizing the issuance of the first Series of Bonds under the Subordinated Indebtedness Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Subordinated Indebtedness Resolution by written instrument of acceptance delivered to the Issuer.

#### **Section A-802. Paying Agents; Appointment and Acceptance of Duties.**

1. The Issuer may, in its discretion, appoint one or more Paying Agents for the Bonds of any Series in the Subordinated Indebtedness Supplemental Resolution authorizing such Bonds at least one of which shall have an office for the transaction of business in the State, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in this Article A-VIII for the appointment of a successor Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution and the Subordinated Indebtedness Resolution by executing and delivering to the Issuer a written acceptance thereof.

3. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds.

**Section A-803. Responsibilities of Fiduciaries.** The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution, the Subordinated Indebtedness Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Resolution and the Subordinated Indebtedness Resolution, and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent the proceeds are received by it in its capacity as Fiduciary, or (iii) the application of any moneys paid to the Issuer or others in accordance herewith except as to the application of any moneys paid to it in its capacity as Fiduciary. No Fiduciary shall 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. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. Subject to the foregoing, the Issuer may designate any Fiduciary to undertake any duty herein of the Issuer with respect to collection, accounting, review of and notice for any consents required hereunder.

#### **Section A-804. Evidence on Which Fiduciaries May Act.**

1. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it in good faith to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it

under the Resolution or the Subordinated Indebtedness Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution or the Subordinated Indebtedness Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution or the Subordinated Indebtedness Resolution upon the faith thereof, but in its discretion the Fiduciary 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.

3. Except as otherwise expressly provided in the Resolution or the Subordinated Indebtedness Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to any Fiduciary shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

**Section A-805. Compensation.** The Issuer shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution and the Subordinated Indebtedness Resolution, and also all reasonable 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 hereunder. The Issuer further agrees to the extent permitted by law to indemnify and save each such Fiduciary 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 misconduct. The Issuer's obligation to make any payment pursuant to this Section shall be limited to payment from amounts made available therefor pursuant to the Financing Agreements.

**Section A-806. Certain Permitted Acts.** Any Fiduciary may become the owner of or deal in any Bonds as fully with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Securities 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 Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Subordinated Indebtedness Resolution, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which any such action is taken.

**Section A-807. Resignation of Trustee.** The Trustee may at any time resign and be discharged of its duties and obligations hereby created by giving not less than sixty (60) days' written notice to the Issuer, specifying the date when such resignation shall take effect, and mailing notice thereof, to the Holders of all Bonds then Outstanding, and such resignation shall take effect on the day specified in such notice unless previously a successor shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

**Section A-808. Removal of Trustee.** The Issuer may at any time remove the Trustee initially appointed or any successor thereto by written notice of such removal mailed by first class mail to the Trustee except that the Trustee may not be removed by the Issuer during the pendency of an Event of Default; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee. Notice of the removal of

the Trustee shall be mailed by first class mail to the registered Holders of all Bonds then Outstanding at least 30 days prior to such removal.

**Section A-809. Appointment of Successor Trustee.**

1. In case at any time the Trustee 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 Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer shall appoint a successor Trustee. The Issuer shall cause notice of any such appointment to be mailed to all Holders of Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 30 days after the Trustee shall have given to the Issuer written notice as provided in Section A-807 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section A-809 in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association and having Fiduciary Capital Funds of at least \$100,000,000, if there be such a bank or trust company or national banking association 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 the Subordinated Indebtedness Resolution.

**Section A-810. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under the Subordinated Indebtedness Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such predecessor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Trustee, 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 Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Subordinated Indebtedness Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee 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 Issuer. Any such successor Trustee shall promptly notify the Paying Agents, if any, of its appointment as Trustee.

**Section A-811. Merger or Consolidation.** Any company into which any Fiduciary 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 such Fiduciary may sell or transfer all or substantially all of its business, or all of its non-private trust administration business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided such company shall be a bank having trust powers or a trust company organized under the laws of the State or a national banking association and shall, if it previously

had not had such an office, have an office for the transaction of its business in the State, and shall be authorized by law to perform all the duties imposed upon it by the Subordinated Indebtedness Resolution.

**Section A-812. Resignation or Removal of Paying Agent and Appointment of Successor.** Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution and the Subordinated Indebtedness Resolution by giving at least sixty (60) days' written notice to the Issuer and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the Issuer. Any successor Paying Agent may be appointed by the Issuer and (subject to the requirements of Section A-802) shall be a bank having trust powers or trust company in good standing organized under the laws of any state of the United States of America or a national banking association, duly authorized to exercise trust powers and subject to examination by federal or state Corporation, having Fiduciary Capital Funds of at least \$100,000,000, and 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 the Subordinated Indebtedness Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor or if there shall be no successor, to the Issuer. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Issuer shall act as such Paying Agent.

## ARTICLE A-IX

### SUBORDINATED INDEBTEDNESS SUPPLEMENTAL RESOLUTIONS

**Section A-901. Adoption and Filing.** The Issuer may adopt at any time or from time to time a Subordinated Indebtedness Supplemental Resolution to authorize the issue of the initial Series of Bonds and of additional Series of Bonds and the incurrence of Subordinated Indebtedness Parity Reimbursement Obligations as provided in Sections A-201, A-202, A-203, and A-204 hereof and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Bonds may be issued and Subordinated Indebtedness Parity Reimbursement Obligations may be incurred.

**Section A-902. Subordinated Indebtedness Supplemental Resolutions Effective Upon Adoption.** Notwithstanding any other provisions of this Article A-IX or Article A-X hereof, the Issuer may adopt, for any one or more of the following purposes and at any time or from time to time, a Subordinated Indebtedness Supplemental Resolution which, upon adoption thereof and filing with the Trustee shall be fully effective in accordance with its terms:

1. To close the Subordinated Indebtedness Resolution against, or provide limitations and restrictions contained in the Subordinated Indebtedness Resolution on, the authentication or execution and delivery on original issuance of Bonds or the issuance of other evidences of indebtedness;

2. To add to the covenants and agreements of the Issuer contained in the Subordinated Indebtedness Resolution other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Resolution or the Subordinated Indebtedness Resolution as theretofore in effect;

3. To add to the limitations or restrictions in the Subordinated Indebtedness Resolution other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Resolution or the Subordinated Indebtedness Resolution as theretofore in effect;

4. To surrender any right, power or privilege reserved to or conferred upon the Issuer by the Subordinated Indebtedness Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer herein contained;

5. To confirm, as further assurance, any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the Subordinated Indebtedness Resolution, or any Subordinated Indebtedness Supplemental Resolution of the Subordinated Indebtedness Pledged Property, including the Subordinated Indebtedness Revenues or the Funds, and other moneys and securities;

6. To modify any of the provisions of the Subordinated Indebtedness Supplemental Resolution in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Subordinated Indebtedness Supplemental Resolution shall cease to be Outstanding and (ii) such Subordinated Indebtedness Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered on original issuance after the date of the adoption of such Subordinated Indebtedness Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

7. To add to the Subordinated Indebtedness Resolution any provisions required by law to preserve the exclusion from gross income for federal income tax purposes of interest received on

Tax-Exempt Bonds then Outstanding or to be issued or the exemption of interest received on any Bonds from State income taxation;

8. To modify, amend or supplement the Subordinated Indebtedness Resolution in any manner in order to provide for a Subordinated Indebtedness Credit Facility, Qualified Swap or other similar arrangement with respect to any Series of Bonds, under the Subordinated Indebtedness Resolution, so long as the Issuer determines that such Subordinated Indebtedness Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

9. To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Subordinated Indebtedness Resolution, so long as the Issuer determines that such Subordinated Indebtedness Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

10. To insert such provisions clarifying matters or questions arising under the Subordinated Indebtedness Resolution as are necessary or desirable and are not contrary to or inconsistent with the Subordinated Indebtedness Resolution as theretofore in effect;

11. To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Section A-201 and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution or the Subordinated Indebtedness Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

12. To, prior to the issuance of the initial Series hereunder, effect amendments of the type mentioned in paragraphs 10 and 11 above by a certificate, which should be attached to the minutes of the meeting at which this Subordinated Indebtedness Resolution is adopted and filed with the Trustee whereupon the Subordinated Indebtedness Resolution, as so amended, shall be deemed to be the Subordinated Indebtedness Resolution;

13. To provide, with prior written notice to each Rating Agency, for additional Investment Obligations that may be designated as Government Obligations consistent with clause (f) of the definition of Government Obligations;

14. Notwithstanding Section A-201(1)(A)(xi) and Section A-301, to the extent authorized by law and to the extent the Issuer shall have received a Counsel's Opinion that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Tax-Exempt Bonds, to provide for the delivery of Bonds that are not in registered form;

15. To modify the pledge effected by Section 501 of the Subordinated Indebtedness Resolution and such other provisions hereof solely to give effect to an assumption, extinguishment and substitution consistent with Section A-612 hereof;

16. Notwithstanding the terms and provisions of Article A-IV hereof, to the extent authorized by law and to the extent that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Tax-Exempt Bonds, to provide for the delivery of a Series of Bonds or a portion of a Series of Bonds incorporating detachable call options;

17. To modify, with prior written notice to each Rating Agency, the definition of Qualified Swap Provider; or

18. To make any other modification or amendment of the Subordinated Indebtedness Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Holders of Outstanding Bonds or Subordinated Indebtedness Parity Reimbursement Obligations.

In making any determination under paragraph (18) of this Section A-902, the Issuer may consult with and rely upon an Opinion of Counsel or opinions of other experts or professionals.

**Section A-903. Subordinated Indebtedness Supplemental Resolutions Effective with Consent of Trustee.** Notwithstanding any other provision of this Article A-IX or Article A-X, the Issuer may adopt a Subordinated Indebtedness Supplemental Resolution amending any provision of this Subordinated Indebtedness Resolution, effective upon filing with the Issuer of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

**Section A-904. Subordinated Indebtedness Supplemental Resolutions Effective with Consent of Bondholders.** Except as permitted in Sections A-901, A-902 and A-903 hereof, at any time or from time to time, a Subordinated Indebtedness Supplemental Resolution may be adopted subject to consent by Bondholders, and in accordance with the provisions of Article A-X hereof, which Subordinated Indebtedness Supplemental Resolution, upon adoption and upon compliance with the provisions of said Article A-X shall become fully effective in accordance with its terms as provided in said Article A-X.

**Section A-905. General Provisions.** Nothing in this Article A-IX or in Article A-X contained shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section A-604 or the right or obligation of the Issuer to execute and deliver to the Trustee any instrument which elsewhere in the Resolution or the Subordinated Indebtedness Resolution it is provided shall be so delivered.

Any Subordinated Indebtedness Supplemental Resolution referred to and permitted or authorized by Sections A-901, A-902 and A-903 hereof may be adopted by the Issuer without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every Subordinated Indebtedness Supplemental Resolution adopted by the Issuer shall be (i) subject to the written approval of the Director of Budget, and (ii) the subject of a Counsel's Opinion stating that such Subordinated Indebtedness Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution and the Subordinated Indebtedness Resolution, is authorized or permitted by the Resolution and the Subordinated Indebtedness Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Trustee shall be entitled to rely upon such opinion, which shall be conclusive evidence that such Supplemental Resolution is authorized or permitted by the provisions hereof.

The Trustee is hereby authorized to accept delivery of a certified copy of any Subordinated Indebtedness Supplemental Resolution permitted or authorized pursuant to the provisions hereof and to make all further agreements and stipulations which may be contained herein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Subordinated Indebtedness Supplemental Resolution is authorized or permitted by the provisions hereof.

No Subordinated Indebtedness Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent shall become effective without the written consent of the Trustee or Paying Agent affected thereby.

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## ARTICLE A-X

### AMENDMENTS

#### **Section A-1001. Mailing and Publication.**

1. Any provision in this Article or elsewhere in this Subordinated Indebtedness Resolution relating to the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid to each Bondholder of any affected Bonds then Outstanding at such Bondholder's address, if any, appearing upon the registry books of the Issuer and to the Trustee; or, in each case, to such parties by facsimile or other means to the extent permitted by applicable law and arrangements.

2. Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

**Section A-1002. Powers of Amendment.** Any modification or amendment of the Subordinated Indebtedness Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder, in any particular, may be made by a Subordinated Indebtedness Supplemental Resolution, with the written consent given as hereinafter provided in Section A-1003, (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of the Subordinated Indebtedness Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Issuer may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Subordinated Indebtedness Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Issuer shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof. Notwithstanding anything in this Section or the Subordinated Indebtedness Resolution to the contrary, the consent of Holders of any Series of Additional Bonds to be issued hereunder shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment effected thereby, and such modification or amendment, as well as such consent, is disclosed in the official statement or other offering document pursuant to which such Series of additional Bonds is offered and sold.

**Section A-1003. Consent of Bondholders.** The Issuer may at any time adopt a Subordinated Indebtedness Supplemental Resolution making a modification or amendment permitted by the provisions of Section A-1002, to take effect when and as provided in this Section. A copy of such Subordinated Indebtedness Supplemental Resolution (or brief summary thereof or reference thereto in

form approved by the Trustee) together with a request to the Bondholders for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of the Subordinated Indebtedness Supplemental Resolution when consented to as in this Section provided). Such Subordinated Indebtedness Supplemental Resolution shall not be effective unless and until there shall have been filed with the Issuer (i) the written consent of Holders of the percentages of Outstanding Bonds specified in Section A-1002, and (ii) a Counsel's Opinion stating that such Subordinated Indebtedness Supplemental Resolution has been duly and lawfully adopted by the Issuer in accordance with the provisions of the Resolution and the Subordinated Indebtedness Resolution, is authorized or permitted by the Resolution and the Subordinated Indebtedness Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section A-1201. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that he or she has examined such proof and that such proof is sufficient in accordance with Section A-1201 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer of the Issuer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in Section A-1201 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer hereinafter in this Section A-1003 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents to the Subordinated Indebtedness Supplemental Resolution, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Subordinated Indebtedness Supplemental Resolution (which may be referred to as a Subordinated Indebtedness Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Issuer) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such Subordinated Indebtedness Supplemental Resolution from becoming effective and binding as in this Section provided) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents to the Subordinated Indebtedness Supplemental Resolution and the written statement of the Issuer herein above provided for is filed (but failure to publish such notice shall not prevent such Subordinated Indebtedness Supplemental Resolution from becoming binding as in this Section provided). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by this Section to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such Subordinated Indebtedness Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Trustee, or the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Subordinated Indebtedness Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the either Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending

shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Subordinated Indebtedness Supplemental Resolution as it may deem expedient.

For the purpose of this Article A-X, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by Section A-1002 or A-1004 hereof in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Issuer or with the remarketing of the Bonds.

**Section A-1004. Modifications by Unanimous Consent.** The terms and provisions of the Subordinated Indebtedness Resolution and the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Issuer of a Subordinated Indebtedness Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section A-1003 except that no notice to Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the filing with the Issuer of the written assent thereto of the Trustee in addition to the consent of the Bondholders.

**Section A-1005. Exclusion of Bonds.** Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article A-X, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken under this Article, the Issuer shall file with its records relating to the Bonds a certificate of an Authorized Officer of the Issuer describing all Bonds so to be excluded.

**Section A-1006. Notation on Bonds.** Bonds delivered after the effective date of any action taken as provided in Article A-IX or this Article A-X provided may, and, if the Issuer so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and Trustee as to such action, and in that event upon demand of the Holder of any Bond Outstanding at such effective date and presentation to the Issuer of his Bond for such purpose, suitable notation shall be made on such Bond by the Issuer as to any such action. If the Issuer and Trustee shall so determine, new Bonds so modified as, in the opinion of the Issuer and Trustee conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

## ARTICLE A-XI

### DEFAULTS AND REMEDIES; DEFEASANCE

**Section A-1101. Events of Default.** The occurrence of one or more of the following events shall constitute an “Event of Default”:

(a) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which default shall continue for a period of ten (10) Business Days; or

(b) in connection with financings for any Authorized Purpose authorized by Section 68-b, the Director of the Budget shall fail or refuse to comply with the provisions of subdivision 5(b) of Section 92-z and such failure or refusal shall continue for a period of thirty (30) days; or

(c) the Comptroller shall fail to pay to any Authorized Issuer from an appropriation, as and when provided by subdivision 3 of Section 68-c in accordance with a Financing Agreement, any amount as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-z, which default shall continue for a period of ten (10) Business Days; or

(d) the Governor shall fail or refuse to include in the appropriation bills required to be submitted by the Governor pursuant to Section 24 of the State Finance Law appropriations sufficient to pay any and all amounts as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-z, in connection with financings for any Authorized Purpose authorized by Section 68-b, and such failure or refusal shall continue for thirty (30) days from and after the date on which such bills are required to be submitted; or

(e) the State shall have enacted a moratorium or other similar law affecting payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 68-b; or

(f) the State or any officer of the State shall fail or refuse to comply with any of the provisions of Section 68-c or Section 92-z, either case relating to security for or payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 68-b; or

(g) failure by the Issuer to observe any of the covenants, agreements or conditions on its part contained in the Subordinated Indebtedness Resolution or in the Bonds, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such period and is diligently pursued until the default is corrected.

Except as provided above or, to the extent permitted by Section A-204 and Article A-IX hereof, in a Subordinated Indebtedness Supplemental Resolution, no default under the Acts or any resolution, agreement, or other instrument shall constitute or give rise to an Event of Default under the Subordinated Indebtedness Resolution.

It is expressly understood that nothing in this Section or elsewhere in the Resolution may be construed to restrict the right of the State under subdivision 5 of Section 68-c to amend, repeal, modify or otherwise alter statutes imposing or relating to any taxes or the sources of any other funds, including the taxes or the sources of any other funds to be deposited into the Revenue Bond Tax Fund without giving rise to an Event of Default hereunder.

**Section A-1102. Remedies.**

1. Upon the occurrence and continuance of any Event of Default specified in Section A-1101(a), the Trustee shall, and upon the occurrence and continuance of any other Event of Default specified in Section A-1101, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of Bonds under the Subordinated Indebtedness Resolution, provided, however, that in no event shall the Holders of the Bonds or the Subordinated Indebtedness Parity Reimbursement Obligations declare the same, nor instruct the Trustee to declare the same, to be immediately due and payable at any time that any Senior Bonds or Senior Parity Reimbursement Obligations remain Outstanding;

(b) bring suit upon such Bonds;

(c) by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Holders of such Bonds; or

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds.

2. The Trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the Holders of the Bonds in the enforcement and protection of their rights.

3. The Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by the Trustee on behalf of the Holders of Bonds, and venue of any such suit, action or proceeding shall be laid in the County of Albany.

4. No remedy by the terms of the Subordinated Indebtedness Resolution conferred upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Subordinated Indebtedness Resolution or existing at law or in equity or by statute on or after the date of adoption of this Subordinated Indebtedness Resolution, except that the rights of Bondholders pursuant to subdivision 2(g) of Section 68-b as in effect on the date of adoption of this Resolution are hereby abrogated. It is further expressly understood that the Subordinated Indebtedness Resolution does not permit the Trustee or the Holders of the Bonds to declare the Bonds to be immediately due and payable.

5. No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust hereunder, or any other remedy hereunder or under the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as herein above provided and unless also the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee

so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein above granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Resolution, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of Outstanding Bonds, subject, however, to the provisions of Section A-602. Nothing in the Subordinated Indebtedness Resolution or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Bond to enforce payment of the principal of and premium, if any, and interest on such Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

6. All rights of action under the Subordinated Indebtedness Resolution or under any of the Bonds which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Subordinated Indebtedness Resolution.

7. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article A-XI to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

**Section A-1103. Priority of Payments After Default.** In the event that the funds held by the Issuer, the Trustee or by the Paying Agents shall be insufficient for the payment of principal, Sinking Fund Installments, if any, or Redemption Price of and interest then due on the Bonds and for payments then due with respect to Subordinated Indebtedness Parity Reimbursement Obligations, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or account under the Subordinated Indebtedness Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Bond Anticipation Notes) and any other moneys received or collected by the Trustee or any Paying Agents, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the Subordinated Indebtedness Revenues, or otherwise protect the interests of the Holders of the Bonds, and after making provision for the payment of the reasonable charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their duties under the Subordinated Indebtedness Resolution, shall be applied as follows:

**FIRST:** To the payment to the Persons entitled thereto of all installments of interest then due with respect to Bonds or Subordinated Indebtedness Parity Reimbursement Obligations in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Bonds and Subordinated Indebtedness Parity Reimbursement Obligations; and

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

The provisions of this Section A-1103 are in all respects subject to the provisions of Section A-602 hereof.

If and when all overdue installments of interest on all Bonds and Subordinated Indebtedness Parity Reimbursement Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Issuer under this Subordinated Indebtedness Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds and Subordinated Indebtedness Parity Reimbursement Obligations which shall then be payable, shall either be paid by or for the account of the Issuer, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Subordinated Indebtedness Resolution or the Bonds or Subordinated Indebtedness Parity Reimbursement Obligations shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all such Subordinated Indebtedness Pledged Property then remaining unexpended in the hands of the Trustee (except Subordinated Indebtedness Pledged Property deposited or pledged, or required by the terms of this Subordinated Indebtedness Resolution to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights. No such payment over to the Issuer by the Trustee or resumption of the application of Subordinated Indebtedness Pledged Property as provided in Article V of the Subordinated Indebtedness Resolution shall extend to or affect any subsequent default under this Subordinated Indebtedness Resolution or impair any right consequent thereon.

#### **Section A-1104. Defeasance.**

1. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds then Outstanding, the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Subordinated Indebtedness Resolution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee and any Paying Agents, if any, shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to this Subordinated Indebtedness Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption or required for payments to Fiduciaries pursuant to Section A-805 hereof.

2. Bonds, or portions of Bonds, for the payment or redemption of which moneys shall have been set aside and shall be held by the Trustee (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of this Section A-1104. Any Bonds, or portions of Bonds, of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section A-1104 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide to Holders in accordance with Article A-IV hereof

notice of redemption on said date or dates of such Bonds, (b) there shall have been irrevocably deposited by the Issuer with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Issuer with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall (i) publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds, and (ii) mail by registered or certified mail, postage prepaid, a notice to the Holders of such Bonds, in each case that the deposit required by (b) above has been made and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, on said Bonds. The Trustee shall, at the discretion of the Issuer, select the Bonds of a Series and the maturity or portion of a maturity thereof shall be paid in accordance with this Section in the manner provided in Section A-404 hereof. Neither Government Obligations or moneys deposited pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on said Bonds; provided that any moneys received from such principal or interest payments on such Government Obligations so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date, payment date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required herein above to pay principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be applied as follows: first to the Subordinated Indebtedness Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Issuer, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created hereby. Prior to applying any such excess amounts pursuant to this subsection or subsection 3 of this Section A-1104, the Issuer shall obtain written confirmation from an independent certified public accountant that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

3. For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Government Obligations and moneys, if any, in accordance with the second sentence of subsection 2 of Section A-1104, the interest to come due on such Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys, Government Obligations on deposit with the Trustee for the payment of interest on such Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Bonds in order to satisfy the second sentence of subsection 2 of this Section A-1104, the Trustee shall, if requested, by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, pledge, lien, encumbrance or security interest securing the Bonds or otherwise existing under the Resolution.

4. Anything in the Subordinated Indebtedness Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and

payable either at their stated maturity dates or earlier Redemption Dates or for two (2) years after the date of deposit of such moneys if deposited with the Trustee, after the said date when such Bonds became due and payable, shall, at the written request of the Issuer, be repaid by the Trustee to the Issuer, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds. Before being required to make any such payment to the Issuer, the Trustee shall, at the expense of the Issuer, (i) cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, and (ii) cause to be mailed postage prepaid to each registered owner of Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Issuer, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication or mailing of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

**Section A-1105. Certain Provisions Relating to Economic Defeasance.**

Any Bonds of any Series for which prior to the maturity or Redemption Date thereof, the Issuer shall have given to the Trustee or other fiduciary selected by the Issuer in form satisfactory to it irrevocable instructions to maintain on deposit in a Fund or account held by the Trustee or other fiduciary selected by the Issuer established for such purpose for the benefit of the Holders of such Bonds, Investment Obligations, other than Government Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or other fiduciary selected by the Issuer at the same time, as verified in the report of a firm of certified public accountants, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, shall not be counted as Outstanding under this Resolution solely for the purpose of the calculation of Calculated Debt Service required under Section A-202 hereof.

## ARTICLE A-XII

### EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

#### **Section A-1201. Evidence of Signatures of Bondholders and Ownership of Bonds.**

Any request, consent, revocation of consent or other instrument which the Subordinated Indebtedness Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds, shall be sufficient for any purpose of the Resolution and the Subordinated Indebtedness Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Issuer, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Issuer or any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him 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 Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(2) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer, the Trustee or any Paying Agent in accordance therewith except as otherwise provided in Section A-1003 hereof.

## ARTICLE A-XIII

### MISCELLANEOUS

**Section A-1301. Moneys Held for Particular Bonds.** The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto and for the purposes hereof such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds, due after such date thereof, consistent with the provisions of Section A-1104 hereof, shall no longer be deemed to be Outstanding.

**Section A-1302. General Regulations as to Moneys and Funds.**

1. Each of the Funds and Accounts established by the Subordinated Indebtedness Resolution shall be a trust fund for the purposes thereof.

2. All amounts of the Issuer held or set aside under the Subordinated Indebtedness Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Subordinated Indebtedness Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Subordinated Indebtedness Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Subordinated Indebtedness Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

3. Unless otherwise specified in a Subordinated Indebtedness Supplemental Resolution authorizing the issuance of Bonds, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

**Section A-1303. Preservation and Inspection of Documents.** All documents received by the Trustee or any Paying Agent under the provisions of the Subordinated Indebtedness Resolution or any Subordinated Indebtedness Supplemental Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Trustee or any other Paying Agent, as applicable, and any Bondholder and their agents and their representatives; provided, however, that with respect to inspection by a Holder of a Bond of any Series a written request of such Bondholder must have been made and received by the Trustee at least five (5) Business Days prior to the date of inspection. The Issuer or its representatives may make copies of any such documents.

**Section A-1304. Parties of Interest.** Nothing in the Subordinated Indebtedness Resolution or in any Subordinated Indebtedness Supplemental Resolution, expressed or implied, is intended or shall be construed to confer upon, or give to, any person or party, other than the Issuer, the Trustee, any Paying Agent, the Holders of the Bonds, the Holders of Subordinated Indebtedness Parity Reimbursement Obligations and the providers of Subordinated Indebtedness Credit Facilities any right, remedy or claim under or by reason of the Subordinated Indebtedness Resolution or any Subordinated Indebtedness Supplemental Resolution or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in the Subordinated Indebtedness Resolution or any Subordinated Indebtedness Supplemental Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Paying Agents, the Holders of the Bonds, the Holders of Subordinated Indebtedness Parity Reimbursement Obligations and the providers of Subordinate Indebtedness Credit Facilities.

**Section A-1305. No Recourse Under Resolution or on the Bonds.** All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Subordinated Indebtedness Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price or interest on the Bonds or for any claim based thereon or on the Resolution against any member, officer or employee of the Issuer or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of a Bond by the acceptance of such Bonds.

**Section A-1306. Publication of Notices.** Any publication to be made under the provisions of the Subordinated Indebtedness Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers.

**Section A-1307. Successors and Assigns.** Whenever in the Subordinated Indebtedness Resolution the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Subordinated Indebtedness Resolution contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

**Section A-1308. Severability of Invalid Provisions.** If any one or more of the covenants, stipulations, promises, agreements or obligations provided in the Subordinated Indebtedness Resolution on the part of the Issuer, the Trustee or any Paying Agent to be performed should be determined by a court of final jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, agreement or agreements or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of the Subordinated Indebtedness Resolution.

**Section A-1309. Other Resolutions.** The Issuer expressly reserves the right to adopt one or more other bond resolutions and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with and not subject to the provisions hereof.

**Section A-1310. Survival of Particular Covenants.** Notwithstanding that Bonds may no longer be Outstanding, the obligations of the Issuer (i) to pay amounts to any Fiduciary pursuant to Section A-805 hereof shall remain in full force and effect until all such amounts are paid and (ii) to comply with the provisions of Section 505 of the Subordinated Indebtedness Resolution in connection with any Tax-Exempt Bonds, with respect to the rebate to the Department of the Treasury of the United

States of America of any Rebate Amount relating to the Bonds of a Series shall remain in full force and effect so long as the Issuer shall be required by the Code to rebate any such Rebate Amount.

**Section A-1311. Actions by the Issuer.** Any time the Issuer is permitted or directed to act pursuant to this Subordinated Indebtedness Resolution or a Subordinated Indebtedness Supplemental Resolution, such action may be taken by an Authorized Officer of the Issuer except that the following actions may only be taken by resolution of the members of the Issuer: authorization and issuance of Bonds; adoption of resolutions; and modifications and amendments pursuant to Articles A-IX and A-X hereof. Any certificates of the Issuer to be delivered hereunder shall be executed by an Authorized Officer of the Issuer.

**Section A-1312. Governing Laws.** The Subordinated Indebtedness Resolution, including this Annex A, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

**Section A-1313. Payments due on Other Than a Business Day.** In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (unless otherwise provided in a Supplemental Resolution without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be.

**Section A-1314. Effective Date.** The Subordinated Indebtedness Resolution shall take effect immediately.

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**DORMITORY AUTHORITY  
OF THE STATE OF NEW YORK**

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**SUBORDINATE SUPPLEMENTAL RESOLUTION NO. 1**

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**AUTHORIZING**  
**STATE PERSONAL INCOME TAX**  
**SUBORDINATE REVENUE ANTICIPATION NOTES**  
**(GENERAL PURPOSE)**

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**Adopted April 8, 2020**

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**SUPPLEMENTAL RESOLUTION NO. 1 AUTHORIZING  
STATE PERSONAL INCOME TAX SUBORDINATE REVENUE ANTICIPATION  
NOTES  
(GENERAL PURPOSE)**

**BE IT RESOLVED BY THE DORMITORY AUTHORITY OF THE STATE OF  
NEW YORK AS FOLLOWS:**

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**SECTION 1.01. Supplemental Resolution No. 1.** This Supplemental Resolution No. 1 Authorizing State Personal Income Tax Subordinate Revenue Anticipation Notes (General Purpose) is supplemental to, and constitutes a Supplemental Resolution within the meaning of and is adopted in accordance with Article A-IX of, the resolution adopted by the Authority on April 8, 2020 entitled “Supplemental Resolution 2020-1 Supplementing the Dormitory Authority of the State of New York State Personal Income Tax Revenue Bonds (General Purpose) General Bond Resolution Adopted April 29, 2009 to Provide for the Authorization and Issuance of Subordinated Indebtedness” and referred to herein as the “Subordinate Resolution.” The Subordinate Resolution is supplemental to, and constitutes a Supplemental Resolution within the meaning of Article A-IX of the Dormitory Authority of the State of New York State Personal Income Tax Revenue Bonds (General Purpose) General Bond Resolution, adopted April 29, 2009 and herein referred to as the “General Resolution.”

**SECTION 1.02. Definitions.**

(a) All terms which are defined in Section 101 of the Subordinate Resolution and Article A-1 of Annex A of the Subordinate Resolution, unless otherwise defined herein, shall have the same meanings, respectively, in this Supplemental Resolution No. 1 as such terms are given therein.

(b) In addition, as used in this Supplemental Resolution No.1, unless a different meaning clearly appears from the context, the following words shall have the following respective meanings:

“**Authorized Notes**” means the Series No. 1 Notes and any notes issued in renewal thereof in accordance with this Resolution No. 1.

“**Series No. 1 Notes**” means the State Personal Income Tax Subordinate Revenue Bond Anticipation Notes (General Purpose) of one or more Series or subseries authorized by Article II of this Supplemental Resolution No.1.

**“Supplemental Resolution No. 1”** means this Supplemental Resolution No. 1 Authorizing State Personal Income Tax Subordinate Revenue Anticipation Notes (General Purpose).

**“Tax Certificate”** means a certificate or certificates of the Authority as to arbitrage and compliance with the provisions of Section 103(a) of the Code executed in connection with the issuance of Series No. 1 Notes issued as Tax-Exempt Notes.

**“Tax-Exempt Notes”** means Authorized Notes the interest on which is intended to be excluded from gross income for purposes of federal income taxation.

**“Taxable Notes”** means Authorized Notes the interest on which is intended to be included in gross income for purposes of federal income taxation.

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(d) The terms “hereby,” “hereof,” “hereto,” “herein” and “hereunder” and any similar terms, as used in this Supplemental Resolution No. 1, refer to this Supplemental Resolution No. 1.

(e) The term “Notes” as used herein shall have the same meaning as ascribed to the term “Bonds” in the Subordinate Resolution.

**SECTION 1.03. Authority for this Supplemental Resolution No. 1.** This Supplemental Resolution No. 1 is adopted pursuant to the provisions of the Acts, the General Resolution and the Subordinate Resolution.

## **ARTICLE II**

### **AUTHORIZATION, TERMS AND ISSUANCE OF THE SERIES NO. 1 NOTES**

**SECTION 2.01. Authorization of Series No. 1 Notes; Principal Amount, Designation and Series.** One or more Series or subseries of Series No. 1 Notes, together with any notes in renewal thereof, entitled to the benefit, protection and security of the General Resolution and the Subordinate Resolution are hereby authorized to be issued on one or more dates in an aggregate principal amount not to exceed \$8,000,000,000 and an additional amount required to pay Costs of Issuance in anticipation of Subordinated Pledged Revenues. Such Series of Notes shall be designated as and shall be distinguished from the Notes of all other Series by such title or titles as set forth in the related Certificate of Determination, pursuant to and subject to the terms, conditions and limitations established in the General Resolution, the Subordinate Resolution and this Supplemental Resolution No.1.

**SECTION 2.02. Purposes.** The purposes for which the Authorized Notes may be issued are to (a) finance or refinance the Costs of the Project in connection with any Authorized Purpose, including but not limited to the financing or refinancing of expenditures of the State described in paragraph (c) of subdivision 1 of Section 54 of the Urban Development Corporation Act; and (b) pay the Costs of Issuance of the Authorized Notes.

**SECTION 2.03. Delegation of Authority.** There is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the General Resolution and the Subordinate Resolution, the power with respect to each series of Authorized Notes to determine and carry out the following:

(a) The sale of the Authorized Notes at public or private sale on a negotiated basis or through competitive bidding; approve the terms of and publication of one or more official statements describing the Authorized Notes; and select the underwriter or underwriters for such Authorized Notes and execute a contract or contracts of purchase on behalf of the Authority, if such Authorized Notes are sold on a negotiated basis, and circulate or publish a notice of sale and select the manner in which the winning bid or bids will be selected and the Authorized Notes awarded, if such Authorized Notes are sold on a competitive basis;

(b) The principal amount of Authorized Notes to be issued, and whether such Series shall be sold separately or together with other Series of Bonds, and whether any such Authorized Notes shall be consolidated into a single Series with any other Series of Bonds authorized to be issued under the General Resolution and the Subordinate Resolution and any Subordinate Supplemental Resolution authorized pursuant thereto; *provided, however*, that the aggregate principal amount of Series No. 1 Notes to be issued shall not exceed the limitation thereon set forth in Section 2.01 hereof, and the principal amount of any notes issued in renewal of Series No. 1 Notes shall not exceed one hundred percent (100%) of the principal amount of the Series No. 1 Notes Outstanding plus accrued interest, if any, as of the date of such renewal.

(c) In connection with each issue of Authorized Notes, the date or dates, the maturity date or dates and the principal amount of each maturity of the Authorized Notes, *provided, however*, that no Series No. 1 Note shall mature later than March 31, 2021 and no note issued in renewal of a Series No. Note shall mature later than one year from the date of issuance of such renewal note;

(d) The Authorized Notes which are Variable Interest Rate Bonds, if any, and any matters related thereto, including (i) the terms and provisions of any such Authorized Notes, including provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof, (ii) the selection of remarketing agents, market agents, auction agents, dealers or any other agents or parties to ancillary arrangements and the terms of any such arrangements, (iii) the manner of determining specified matters relating to the defeasance of such Authorized Notes and (iv) the methods for determining the accrual of Debt Service;

(e) The interest rate or rates, if any, of the Authorized Notes that are fixed rate notes the initial interest rate or rates on Authorized Notes that are Variable Interest Rate Bonds and the manner for determining the subsequent rate or rates of interest thereon; and the date from which interest on the Authorized Notes shall accrue and the interest payment dates therefor;

(f) The Series No. 1 Notes and notes in renewal thereof that are Tax-Exempt Bonds and Taxable Bonds;

(g) The provisions relating to (i) any Subordinated Payment Credit Facility or other similar financial arrangement entered into in connection with the issuance of the Authorized Notes and (ii) the obligations payable thereunder and the agreements or instruments, if any, to be entered into therewith;

(h) The denomination or denominations of and the manner of numbering and lettering the Authorized Notes;

(i) The Authorized Notes which are Book Entry Bonds, if any, and the Depository therefor;

(j) The Redemption Price or Redemption Prices, if any, and, subject to Article IV of the Subordinate Resolution, the redemption terms, if any, for the Authorized Notes, which Redemption Price of any Authorized Notes subject to redemption at the election or direction of the Authority may be equal to a percentage of the principal amount of the Authorized Notes to be redeemed, plus accrued interest thereon to the date of redemption, and/or may alternatively be determined by a formula which is intended to “make whole” the holders of such Authorized Notes by setting a Redemption Price based on the expected rate of return to such holders;

(k) Provisions for the sale or exchange of the Authorized Notes and for the delivery thereof;

(l) The form of the Authorized Notes and the form of the Trustee’s certificate of authentication thereon;

(m) Provisions with respect to funds and accounts and subaccounts therein, if applicable, and the Subordinate Revenues and application thereof, as provided in Article V of the Subordinate Resolution and Article IV hereof, including but not limited to provisions for the deposit and holding of any prepayments by the State under the Financing Agreement;

(n) Directions for the application of the proceeds of the Authorized Notes;

(o) The principal amount of Series No. 1 Notes to be renewed on the maturity or redemption date thereof;

(p) Whether the Authorized Notes will be issued in one or more Series at one or more times and the principal amount, designations and tax status of interest thereon of

each such Series; and whether the Authorized Notes of any Series shall be issued in subseries, the number of subseries and the principal amount, designations and tax status of interest thereon of each subseries; and

(q) The authority to make such other determinations and to take such other actions deemed advisable by an Authorized Officer of the Authority in connection with the issuance, sale and delivery of the Authorized Notes authorized hereby, not in conflict with the provisions hereof or of the Subordinate Resolution.

Such Authorized Officer shall execute one or more Certificates of Determination evidencing determinations or other actions taken pursuant to the authority granted herein or in the Subordinate Resolution, and any such Certificate of Determination shall be conclusive evidence of the action or determination of such Authorized Officer as stated therein.

**SECTION 2.04. Approval of Bond Purchase Agreement.** In connection with any Authorized Notes sold on a negotiated basis, any Authorized Officer of the Authority is hereby authorized to execute one or more Bond Purchase Agreements in the name and on behalf of the Authority, in such form and containing such terms and conditions as may be approved by said Authorized Officer.

**SECTION 2.05. Official Statements; Sale of Authorized Notes.**

(a) The distribution in connection with the offering and sale of any Series of Authorized Notes of one or more Preliminary Official Statements in such form, with such changes, insertions and omissions as an Authorized Officer of the Authority deems advisable, is hereby authorized. In connection with any competitive sale of the Authorized Notes, any Authorized Officer of the Authority is also authorized and directed to publish one or more notices of sale and to distribute to prospective purchasers all documents as deemed necessary or desirable to effect a sale of the Authorized Notes

(b) Any Authorized Officer of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, one or more final Official Statements in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as said Authorized Officer deems advisable, and to permit the distribution of said Official Statements in connection with the offering and sale of the Authorized Notes.

**SECTION 2.06. Execution of Documents.** Any Authorized Officer of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, any and all documents and instruments, including, without limitation, a supplement to the Financing Agreement, if any; agreements to provide continuing secondary market disclosure as may be appropriate to ensure that the underwriter or underwriters for the Authorized Notes and subsequent dealers can comply with Rule 15c2-12 under the Securities Exchange Act of 1934; all documents, agreements and instruments necessary to effect the renewal of Series No. 1 Notes; agreements providing for credit enhancement and liquidity with respect to the Authorized Notes; and any agreements with the applicable State agencies, authorities or other entities in order to effect the transactions for which the Authorized Notes shall be issued; and to do and cause to be done any

and all acts and things said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the Authorized Notes; and to carry out the transactions contemplated by this Supplemental Resolution No. 1.

### **ARTICLE III**

#### **EXECUTION AND AUTHENTICATION OF THE AUTHORIZED NOTES**

**SECTION 3.01. Execution and Authentication of Authorized Notes.** Pursuant to the provisions of Section A-303 of Annex A to the Subordinate Resolution, the Chairman, Vice Chairman or other Authorized Officer of the Authority is hereby authorized and directed to execute by his manual or facsimile signature the Authorized Notes in the name of the Authority, and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to attest by his manual or facsimile signature the execution of the Authorized Notes.

The Trustee is hereby authorized to authenticate by manual or facsimile signature the Authorized Notes, and deliver the same to or upon the order of the Authority, in such amounts and at such times as the Trustee shall be directed in writing by an Authorized Officer.

**SECTION 3.02. No Recourse on Authorized Notes.** No recourse shall be had for the payment of the principal, Sinking Fund Installments or Redemption Price of or interest on the Authorized Notes or for any claim based thereon or on Supplemental Resolution No. 1 against any member, officer or employee of the Authority or any person executing the Authorized Notes and neither the members of the Authority nor any other person executing the Authorized Notes of the Authority shall be subject to any personal liability or accountability by reason of the issuance thereof, all such liability being expressly waived and released by every Holder of Authorized Notes by the acceptance thereof.

### **ARTICLE IV**

#### **APPLICATION OF PROCEEDS**

**SECTION 4.01. Application of Proceeds and Deposit of Moneys.** The Trustee shall apply the proceeds of the sale of the Series No. 1 Notes as follows: (a) the amount representing accrued interest on the Series No. 1 Notes from the date thereof to the date of delivery thereof shall be deposited in the Debt Service Fund and (b) the balance thereof shall be deposited, in accordance with the written instructions of an Authorized Officer of the Authority, in the Bond Proceeds Fund.

### **ARTICLE V**

#### **SPECIAL COVENANTS**

**SECTION 5.01. Tax Exemption; Rebates.** In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Authorized Notes that are issued as Tax-Exempt Notes, the Authority shall comply with the provisions of the Code applicable

to such Authorized Notes, including without limitation the provisions of the Code relating to the computation of the yield on investments of the “gross proceeds” of such Authorized Notes, as such term is defined in the Code, reporting of the earnings on such gross proceeds and rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the provisions of the Tax Certificate executed by the Authority in connection with such Authorized Notes.

The Authority shall not take any action or fail to take any action which would cause such Authorized Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of such Authorized Notes or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Authorized Notes to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

The Authority shall make any and all payments required to be made to the Department of the Treasury of the United States of America in connection with such Authorized Notes pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor.

**SECTION 5.02. Survival of Covenants.** The obligation of the Authority to comply with the provisions of Section 5.01 hereof with respect to the rebate to the Department of the Treasury of the United States of America relating to the Authorized Notes which are issued as Tax-Exempt Notes shall remain in full force and effect so long as the Authority shall be required by the Code to rebate such earnings on the gross proceeds of such Authorized Notes notwithstanding that such obligations are no longer Outstanding.

## **ARTICLE VI**

### **MISCELLANEOUS**

**SECTION 6.01. Authority to Deliver this Supplemental Resolution No. 1.** An Authorized Officer of the Authority is hereby authorized and directed to deliver this Supplemental Resolution No. 1 with such changes, insertions and omissions as may be approved by such Authorized Officer, such delivery being conclusive evidence of such approval; *provided, however*, that such changes, insertions and omissions shall not conflict with the provisions of the General Resolution and the Subordinate Resolution and shall be necessary to effectuate the intent of this Supplemental Resolution No. 1.

**SECTION 6.02. When Effective.** This Supplemental Resolution No. 1 shall become effective immediately upon the filing with the Trustee of a copy of this Supplemental Resolution No. 1 certified by an Authorized Officer of the Authority; *provided, however*, that if, prior to the issuance of the Series No 1 Notes, the Trustee shall receive from or at the direction of the Authority a security deposit or good faith deposit in connection with the sale of the Series No. 1 Notes or any other funds related to the Authorized Notes, then the Trustee’s appointment in connection with the Authorized Notes shall be deemed to have occurred concurrently with such receipt, and all provisions of the General Resolution, the Subordinate Resolution and this Supplemental

Resolution No. 1 relating to the Trustee's duties, obligations and standard of care shall apply as of such date.

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TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

|               |  |   |
|---------------|--|---|
| SECTION 1.01. | Supplemental Resolution No. 1 .....                    | 1 |
| SECTION 1.02. | Definitions.....                                       | 1 |
| SECTION 1.03. | Authority for this Supplemental Resolution No. 1 ..... | 2 |

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF THE SERIES NO. 1 NOTES

|               |   |   |
|---------------|---|---|
| SECTION 2.01. | Authorization of Series No. 1 Notes; Principal Amount, Designation and Series ..... | 2 |
| SECTION 2.02. | Purposes .....  | 3 |
| SECTION 2.03. | Delegation of Authority .....   | 3 |
| SECTION 2.04. | Approval of Bond Purchase Agreement .....   | 5 |
| SECTION 2.05. | Official Statements; Sale of Series No. 1 Notes .....                               | 5 |
| SECTION 2.06. | Execution of Documents.....   | 5 |

ARTICLE III

EXECUTION AND AUTHENTICATION OF THE AUTHORIZED NOTES

|               |  |   |
|---------------|--|---|
| SECTION 3.01. | Execution and Authentication of Authorized Notes ..... | 6 |
| SECTION 3.02. | No Recourse on Authorized Notes .....                  | 6 |

ARTICLE IV

APPLICATION OF PROCEEDS

|               |   |   |
|---------------|---|---|
| SECTION 4.01. | Application of Proceeds and Deposit of Moneys ..... | 6 |
|---------------|---|---|

ARTICLE V

SPECIAL COVENANTS

|               |                              |   |
|---------------|------------------------------|---|
| SECTION 5.01. | Tax Exemption; Rebates ..... | 6 |
| SECTION 5.02. | Survival of Covenants.....   | 7 |

TABLE OF CONTENTS

Page

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Authority to Deliver this Supplemental Resolution No. 1 .....7  
SECTION 6.02. When Effective .....7

DRAFT