

---

INDENTURE OF TRUST

Dated as of August 1, 2013

between

NEW YORK STATE ENERGY RESEARCH  
AND DEVELOPMENT AUTHORITY

and

THE BANK OF NEW YORK MELLON  
as Trustee

---

-relating to-

the issuance from time to time of series of  
Residential Energy Efficiency Financing Revenue Bonds

---

---

**TABLE OF CONTENTS**

Page

PARTIES ..... 1  
RECITALS ..... 1  
GRANTING CLAUSES..... 2

**ARTICLE I**

**DEFINITIONS; RULES OF CONSTRUCTION; LIABILITY UNDER BONDS**

Section 1.01. Definitions..... 4  
Section 1.02. Rules of construction ..... 10  
Section 1.03. Liability under Bonds ..... 11  
Section 1.04. Indenture of Trust and the Bonds constitute contract ..... 11

**ARTICLE II**

**ISSUANCE; AUTHORIZATION; MANNER OF EXECUTION; AUTHENTICATION;  
REGISTRATION AND TRANSFER OF BONDS;  
OTHER PROVISIONS REGARDING BONDS**

Section 2.01. Issuance of Bonds in one or more Series; designation of Bonds, provisions  
of Bonds ..... 12  
Section 2.02. Mutilated, lost, stolen or destroyed Bonds..... 13  
Section 2.03. Temporary Bonds..... 13  
Section 2.04. Execution of Bonds; effect of change of officers ..... 13  
Section 2.05. Registration of Bonds; transfers; Securities Depository ..... 14  
Section 2.06. Persons treated as owners ..... 16  
Section 2.07. Exchange of Bonds ..... 16  
Section 2.08. Payment for and limitations on exchanges and transfers..... 16  
Section 2.09. Endorsement of certificate of authentication on Bonds ..... 17  
Section 2.10. Cancellation of Bonds..... 17  
Section 2.11. Credit Facilities ..... 17  
Section 2.12. Provisions regarding Bonds secured by a Credit Facility ..... 18

**ARTICLE III**

**SECURITY FOR BONDS; ISSUANCE OF BONDS;  
RELEASE OF EXCLUDED LOAN PAYMENTS**

Section 3.01. Pledge and assignment effected by Indenture; Bonds equally and ratably  
secured; option of Authority to assign certain further rights and remedies  
to Trustee. .... 19  
Section 3.02. Issuance of Bonds ..... 20  
Section 3.03. Release of Pledged Revenues from Lien of this Trust Indenture. .... 21  
Section 3.04. Additional Financial Assistance to Borrowers ..... 21

**TABLE OF CONTENTS**

(continued)

Page

**ARTICLE IV**

**AMENDMENT OF LOAN AGREEMENTS**

Section 4.01. Amendments to Loan Agreements not requiring consent of Bondowners.....22

**ARTICLE V**

**COST OF ISSUANCE FUND; DEBT SERVICE FUND; DEBT SERVICE RESERVE FUNDS;  
LOAN FUND**

Section 5.01. Creation and custody of pledged funds and accounts.....23  
Section 5.02. Cost of Issuance Fund.....23  
Section 5.03. Application of Pledged Revenues held in the Revenue Fund.....23  
Section 5.04. Debt Service Fund.....24  
Section 5.05. Debt Service Reserve Fund.....26  
Section 5.06. Loan Fund.....26  
Section 5.07. Non-presentment of Bonds.....27  
Section 5.08. Trustee to notify Authority of amounts available in any fund.....27

**ARTICLE VI**

**REBATE FUNDS**

Section 6.01. Creation and Custody of Rebate Funds .....28  
Section 6.02. Rebate Funds.....28

**ARTICLE VII**

**SECURITY FOR AND INVESTMENT OF MONEYS**

Section 7.01. Moneys held in trust.....29  
Section 7.02. Uninvested moneys held by the Trustee .....29  
Section 7.03. Investment of, and payment of interest on, moneys .....29  
Section 7.04. Disposition of amounts after payment of Bonds.....30

**ARTICLE VIII**

**REDEMPTION OF BONDS**

Section 8.01. Bonds to be redeemed only in manner provided in Article VIII .....31  
Section 8.02. Redemption of less than all Bonds.....31  
Section 8.03. Notice of Redemption.....31  
Section 8.04. Rights of owners of Bonds called for redemption limited to redemption  
price and accrued interest.....32

**TABLE OF CONTENTS**

(continued)

	<u>Page</u>
Section 8.05. Purchase of Bonds.....	32

**ARTICLE IX**

**PARTICULAR COVENANTS**

Section 9.01. Payment of principal of and interest and redemption premium on Bonds .....	34
Section 9.02. Performance of covenants.....	34
Section 9.03. Further instruments .....	34
Section 9.04. Inspection of Project books.....	34
Section 9.05. No extension of time of payment of interest.....	34
Section 9.06. Trustee’s and Paying Agents’ fees, charges, expenses and indemnification .....	34
Section 9.07. Agreement of the State.....	35
Section 9.08. Inspection of Bond Register.....	35
Section 9.09. Disposition of the Proceeds of Sale or Redemption of Loans which are expected to be a source of Pledged Loan Payments .....	35
Section 9.10. Enforcement of Loan Agreements which are expected to be a source of Pledged Loan Payments .....	35
Section 9.11. Servicing Agreement .....	35
Section 9.12. Coverage Test; Additional Pledged Revenues.....	36

**ARTICLE X**

**DEFAULTS AND REMEDIES**

Section 10.01. Events of Default .....	37
Section 10.02. Judicial proceedings by Trustee.....	37
Section 10.03. Effect of discontinuance or abandonment of proceedings .....	37
Section 10.04. Power of Owners to direct proceedings .....	38
Section 10.05. Limitation on actions by Bondowners .....	38
Section 10.06. Trustee’s right to enforce rights in respect of Bonds in own name and without possession of Bonds.....	38
Section 10.07. No remedy herein conferred upon or reserved exclusive .....	39
Section 10.08. No delay or omission to be deemed waiver of default.....	39
Section 10.09. Application of moneys received by Trustee pursuant to Article X .....	39
Section 10.10. Entirety of Agreement.....	40
Section 10.11. Notice of Event of Default.....	40

**ARTICLE XI**

**CONCERNING THE TRUSTEE AND PAYING AGENT**

Section 11.01. Appointment of Trustee .....	41
Section 11.02. No responsibility for correctness of statements in Indenture.....	41

**TABLE OF CONTENTS**

(continued)

	<u>Page</u>
Section 11.03. No responsibility for default of agents selected with reasonable care, nor for own acts save willful misconduct or negligence.....	41
Section 11.04. No duty to take enforcement action unless so requested by owners of 25% of the Bonds .....	41
Section 11.05. Right to rely .....	42
Section 11.06. Right to own and deal in Bonds and engage in other transactions with Borrowers and Authority .....	42
Section 11.07. Construction of provisions of Indenture by Trustee .....	42
Section 11.08. No implied duties or risks .....	42
Section 11.09. Right to resign trust.....	42
Section 11.10. Removal of Trustee.....	43
Section 11.11. Appointment of successor Trustee by Bondowners or Authority.....	43
Section 11.12. Qualifications of successor Trustee .....	43
Section 11.13. Court appointment of successor Trustee.....	43
Section 11.14. Acceptance of appointment by, and transfer of trust estate to, successor Trustee.....	43
Section 11.15. Successor Trustee by merger or consolidation .....	44
Section 11.16. Exercise of rights and powers during Event of Default.....	44
Section 11.17. Trustee may intervene in judicial proceedings involving the Authority or any Borrower .....	44
Section 11.18. Paying Agents .....	44
Section 11.19. Directions and Consents .....	45

**ARTICLE XII**

**EXECUTION OF INSTRUMENTS BY BONDOWNERS AND  
PROOF OF OWNERSHIP OF BONDS**

Section 12.01. Execution of instruments; proof of ownership of Bonds .....	46
--	----

**ARTICLE XIII**

**INDENTURES SUPPLEMENTAL HERETO**

Section 13.01. Supplemental Indentures not requiring consent of Bondowners .....	47
Section 13.02. Supplemental Indentures requiring consent of Bondowners .....	47

**ARTICLE XIV**

**DEFEASANCE**

Section 14.01. Defeasance .....	49
---------------------------------	----

**TABLE OF CONTENTS**

(continued)

Page

ARTICLE XV

MISCELLANEOUS

Section 15.01. Parties in interest.....	51
Section 15.02. Severability .....	51
Section 15.03. No individual liability .....	51
Section 15.04. Payments due on Saturdays, Sundays and holidays.....	51
Section 15.05. Notices .....	51
Section 15.06. Governing Law .....	52
Section 15.07. Effective date; counterparts .....	52
Section 15.08. Instructions to Trustee.....	52
Section 15.09. Date for identification purposes only.....	52

THIS INDENTURE OF TRUST, dated as of August 1, 2013, by and between NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”), a body corporate and politic, constituting a public benefit corporation, established and existing under and by virtue of the laws of the State of New York, and THE BANK OF NEW YORK MELLON, a corporation organized and existing under and by virtue of the laws of the State of New York, with its principal office located in New York, New York, as trustee (the “Trustee”),

WITNESSETH THAT:

WHEREAS, pursuant to a special act of the Legislature of the State of New York (Title 9 of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Act”), the Authority has been established, as a body corporate and politic, constituting a public benefit corporation under the laws of the State of New York (the “State”), with full and lawful power and authority to enter into this Indenture of Trust (hereinafter referred to, together with any amendments or supplements hereto, as the “Indenture”); and

WHEREAS, pursuant to the Green Jobs–Green New York Act of 2009 (Chapter 487 of the Laws of 2009) the Authority has been authorized by the State to establish its Green Jobs–Green New York Program to, among other things, provide funding, through Loans (as hereinafter defined) to eligible applicants (each, an “Applicant”) for the performance of energy audits and energy efficiency improvements for one to four family residential structures, multifamily buildings of over five dwelling units, and structures used or occupied by small businesses of one hundred employees or less or not-for-profit corporations; and

WHEREAS, the Authority and each Applicant receiving a Loan (any such Applicant hereinafter referred to as a “Borrower”) has or will enter into a separate financing agreement (a “Loan Agreement”), pursuant to which the Authority, subject to the conditions set forth therein, has or will make financial assistance available to such Borrower, which financial assistance will be used to permit each such Borrower to finance, or to reimburse such Borrower for costs eligible to receive financial assistance from the Green Jobs–Green New York Revolving Loan Fund; and

WHEREAS, the Authority is authorized under the Act to borrow money and issue its negotiable bonds and notes to provide sufficient moneys for achieving its corporate purposes; and

WHEREAS, the Authority is also authorized by the Act to extend credit and make loans from bond proceeds for the construction, acquisition, installation, reconstruction, improvement, maintenance, equipping, furnishing or leasing of any so-called “special energy projects” as defined in the Act; and

WHEREAS, the Authority is also authorized under the Act to enter into any contracts and to execute all instruments necessary or convenient for the exercise of its corporate powers and the fulfillment of its corporate purposes; and

WHEREAS, pursuant to Resolution No. 363, adopted June 17, 2013, the Authority has determined to issue an initial series of Bonds (as defined herein), in an aggregate principal amount not to exceed \$24,362,450, for the purpose of financing and refinancing Loans; and

WHEREAS, the Bonds of each series and any Bonds shall be special obligations of the Authority payable solely from the specific assets, revenues or other receipts, funds or moneys pledged therefore pursuant to this Indenture and the related Supplemental Series Indenture; and

WHEREAS, all acts, conditions and things necessary or required by the Constitution and statutes of the State or otherwise, to exist, happen, and be performed as prerequisites to the execution and delivery of this Indenture, do exist, have happened, and have been performed; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

#### GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the owners thereof, and also for and in consideration of the sum of One Dollar (\$1.00) to the Authority in hand paid by the Trustee at or before the execution and delivery of this Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become owners thereof, and in order to secure the payment of all Bonds, according to their respective tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein or herein contained, the Authority has executed and delivered this Indenture, and does hereby assign and pledge to the Trustee, for the benefit of the owners of all Bonds, as security for the payment of amounts due on the Bonds in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture, permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, (i) all right, title and interest of the Authority in and to all Pledged Revenues and, as and to the extent Loan Agreements are pledged and assigned to the Trustee under Section 3.01(c), all Loan Agreements, and (ii) all right title, and interest in the Revenue Fund, the Loan Fund, the Debt Service Fund and all other funds held by the Trustee under this Indenture and available under the terms of this Indenture for the payment of the Bonds, expressly excepting from such pledge any Reserved Authority Interests, and it is mutually agreed and covenanted by and between the parties hereto for the equal and proportionate benefit and security of all and singular the present and future owners of the Bonds issued and to be issued under this Indenture without preference, priority or distinction, except as otherwise hereinafter provided, of any one Bond over any other Bond, by reason of priority in the issue, sale or negotiation thereof or otherwise;



PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, and premium, if any, and interest on, the Bonds due or to become due thereon, and all other amounts due thereunder, at the times and in the manner mentioned in the Bonds according to their tenor, and shall cause the payments to be made on the Bonds as required under Article IX hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee moneys or securities sufficient to pay the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon the final payment thereof this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds from time to time issued, incurred and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of subject to the terms of this Indenture, and the Authority agrees with the Trustee and with the respective owners, from time to time, of said Bonds or any part thereof as follows:

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION; LIABILITY UNDER BONDS

Section 1.01. Definitions. The terms defined in this Section 1.01 shall for all purposes of the Indenture have the meanings herein specified, unless the context clearly otherwise requires:

Act shall mean the New York State Energy Research and Development Authority Act, Title 9 of Article 8 of the Public Authorities Law of the State of New York, as from time to time amended and supplemented.

Administrative Expenses shall mean any fees and expenses payable to the Trustee and any Paying Agent under this Indenture and any Servicing Fee.

Authority means New York State Energy Research and Development Authority, the public benefit corporation created by the Act, and its successors and assigns.

Authorized Officer means the Chair, Vice-Chair, President, Vice President, Treasurer, Assistant Treasurer or Secretary of the Authority.

Available GJGNY Moneys means moneys, if any, which are on deposit in the GJGNY Revolving Fund or the Green Jobs–Green New York Loan Loss Reserve Fund (excluding amounts held in the Collateral Reserve Account established under the Reimbursement Agreement and held by the Collateral Agent under the Custody Agent) which are legally available for the purpose of making any payment due to the Trustee under clause (g) of Section 5.04.

Backup Servicer shall mean First Associates Loan Servicing LLC, and its successors and assigns as backup servicer for the Loans.

Backup Servicing Agreement shall mean the Backup Servicing Agreement dated as of July \_\_, 2013 by and between the Authority and the Backup Servicer, as the same may be amended and supplemented and any similar agreement with any successor as Backup Servicer.

Bond or Bonds means any bond or bonds of the Authority executed, authenticated and delivered under the Indenture.

Bond Counsel means Hawkins Delafield & Wood LLP or other counsel selected by the Authority and satisfactory to the Trustee and nationally recognized as experienced in matters relating to bonds issued by states and their political subdivisions.

Bond Register means the bond register specified in Section 2.05.

Bond Year means any period commencing on and including July 1 of any year and ending on and including June 30 of the next year.

Borrower or Borrowers means any Person eligible to receive a Loan under the Program as specified in an Officer's Certificate delivered pursuant to Section 3.02(e) and their respective successors and assigns.

Business Day means a day on which banks located in (i) The City of New York, New York, and (ii) the city in which the principal office of the Trustee is located are not required or authorized to remain closed and on which the New York Stock Exchange, Inc. is not closed.

Code means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

Collateral means, initially, funds provided by the Authority to the Collateral Agent pursuant to Section 2.03(a) of the Reimbursement Agreement, and thereafter any additional funds transferred by the Trustee to the Collateral Agent pursuant to the Indenture to satisfy the Collateral Requirement and investments of such funds.

Collateral Agent means The Bank of New York Mellon, or any other independent third party acceptable to the Guarantor and the Issuer that the Guarantor may appoint as its agent to hold the Collateral.

Collateral Requirement has the meaning set forth in the Reimbursement Agreement.

Collateral Reserve Account means the account established under the Reimbursement Agreement for the purposes described therein.

Corporate Trust Office means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 101 Barclay Street - 7W, New York, New York 10286.

Cost of Issuance Fund means the Cost of Issuance Fund established pursuant to Section 5.01(a).

Coverage Test as of any date of calculation, has the meaning set forth in Section 9.12.

Credit Facility means a letter of credit, guarantee, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company, financial institution or other Person which provides for payment for all or a portion of the principal or redemption price of, and interest on any Series of Bonds.

Credit Facility Issuer has the meaning set forth in Section 2.11.

Custody Agreement means that certain Custody Agreement, dated as of August 1, 2013, between the Issuer and the Collateral Agent and accepted and agreed to by the Guarantor.

Debt Service means, as of any date, and for any Bond Year, with respect to the Bonds then Outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption) and sinking fund payments required to be paid on the Bonds, as calculated by the Authority in accordance with this definition. For purposes of calculating Debt Service, the following assumptions are to be used to calculate the principal and interest becoming due in any Bond Year:

(i) in determining the principal amount due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such principal, including any minimum sinking fund account payments; and

(ii) if Bonds of any Series bear interest at a variable interest rate, the interest rate on such Bonds shall be determined in accordance with the related Supplemental Series Indenture, and

(iii) if the Bonds are Subsidized Bonds, the interest on such Bonds shall not be reduced by the amount of any subsidy.

Such interest and principal and sinking fund installment shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each principal and sinking fund installment on the due date thereof.

Debt Service Fund means the Debt Service Fund established pursuant to Section 5.01(a).

Debt Service Payment Date means a date on which principal, redemption price or interest is due on the Bonds.

Debt Service Reserve Fund means a Debt Service Reserve Fund, if any, for a series of Bonds established pursuant to a Supplemental Indenture.

Debt Service Reserve Fund Requirement, with respect to any Series of Bonds, means the amount, if any, determined in accordance with the related Supplemental Series Indenture.

Eligible Project shall have the meaning given to that term in the Green Jobs–Green New York Act.

Event of Default means any event of default specified in Section 10.01.

Eligibility Criteria shall have the meaning set forth in Section 3.03.

Green Jobs–Green New York Act means the Green Jobs–Green New York Act of 2009 (Chapter 487 of the Laws of 2009), as from time to time amended and supplemented.

Green Jobs–Green New York Revolving Loan Fund or GJGNY Revolving Fund means the revolving fund established by the State pursuant to the Green Jobs–Green New York Act, which fund is to be used for the purposes described therein.

Guarantor means New York State Environmental Facilities Corporation, and its successors and assigns.

Indenture, in general, means this Indenture of Trust, as from time to time amended or supplemented in accordance with the terms hereof and, when used in respect to a particular Series of Bonds, means this Indenture of Trust as so amended and as supplemented by the related Supplemental Series Indenture.

Interest Payment Date, means the date on which any installment of interest on such Series of Bonds is due other than by reason of acceleration or redemption.

Loan means any loan made by the Authority to a Borrower to finance Eligible Projects with moneys available under the Green Jobs–Green New York Program, including, without limitation, any loans made or refinanced, in whole or in part, with the proceeds of Bonds or which is a source of Pledged Loan Payments.

Loan Agreement means any agreement providing for a Loan to be made available to a Borrower or refinanced by the Authority in whole or in part with the proceeds of the Bonds or which is a source of Pledged Loan Payments between a Borrower and the Authority, including any promissory notes or other evidences of indebtedness executed pursuant thereto, in each case as amended and supplemented in accordance with its terms from time to time.

Loan Fund means the Loan Fund established pursuant to Section 5.01.

Loan Payments means the amounts payable by a Borrower under a Loan Agreement.

Maximum Annual Debt Service means as of any date of calculation the maximum annual Debt Service due in the current or any future Bond Year.

Moody’s means Moody’s Investors Service, Inc., or its successors and assigns, or if there is no such successor or assign, shall mean another rating service selected by the Authority and approved by each Credit Facility Issuer.

Officer’s Certificate means a certificate signed by an Authorized Officer of the Authority.

Outstanding, means, as of any particular date, the aggregate of all Bonds authenticated and delivered under the Indenture, except:

- (a) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(b) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the owners of such Bonds, provided that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Bonds paid or Bonds deemed to be paid as provided in Section 14.01; and

(d) Bonds paid or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Section 2.02, unless proof satisfactory to the Trustee shall be presented that any such Bond shall be held by a bona fide purchaser (as such term is defined in the Uniform Commercial Code of the State of New York).

Owner or Bondowner means the Registered Owner of any Bond.

Parity Reimbursement Obligation has the meaning set forth in Section 2.11.

Paying Agency Office means the office of the Trustee maintained in the Borough of Manhattan in The City of New York, at which its corporate trust business shall be administered in such city.

Paying Agent means any paying agent for the Bonds of a Series and any successor or successors as paying agent appointed pursuant to Section 11.17.

Person means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

Pledged Interest Subsidies shall mean any cash subsidy received by the Authority from the United States Treasury with respect to the Bonds by reason of the Bonds being issued as Qualified Energy Conservation Bonds as defined in Section 54 of the Code.

Pledged Loan Payments means payments of principal of, premium, if any, and interest on a Loan which are assigned and pledged as security for the benefit of the Bonds, excluding any Released Loan Payments.

Pledged Revenues means (i) all Pledged Loan Payments and (ii) Pledged Interest Subsidies.

Principal Installment means, as of any date of calculation and (i) the principal amount of the Bonds due by their terms on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for the Bonds, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of the Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, plus such applicable redemption premiums, if any.

Program shall mean the program established, administered by the Authority and created pursuant to the Green Jobs-Green New York Act to provide funding, through Green Jobs-Green New York Loans, for the performance of energy audits and energy efficiency improvements for one to four family residential structures, multifamily buildings of over five dwelling units, and structures used or occupied by a small businesses of one hundred employees or less or not-for-profit corporations.

Projected Net Revenues as of any date of calculation means the amount projected to be received as Pledged Revenues less projected Administrative Expenses and Scheduled Credit Facility Fees, as calculated by the Authority and evidenced by an Officer's Certificate.

Rating means any rating then assigned to the Bonds by a nationally recognized rating agency.

Rebate Amount means any amount payable as "rebate" or a yield reduction payment with respect to any Series of Bonds.

Rebate Fund means any Rebate Fund established pursuant to Article VI.

Registered Owner means the person or persons in whose name or names a particular Bond shall be registered on the Bond Register.

Reimbursement Agreement means the Reimbursement Agreement dated as of August 1, 2013 between the Guarantor and the Authority.

Released Loan Payments means each Loan Payment formerly treated as a Pledged Loan Payment which has been released from the lien of this Indenture and a related Supplemental Series Indenture pursuant to Section 3.03 and Section 9.12.

Revenue Fund means the Revenue Fund established pursuant to Section 5.01(a).

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc, or its successors and assigns, or if there is no such successor or assign, shall mean another rating service selected by the Authority and approved by each Credit Facility Issuer.

Scheduled Credit Facility Fee means any regularly scheduled payments under a Parity Reimbursement Obligations, identified as such in a Supplemental Series Indenture.

Securities Depository means a Bondowner acting as a central securities depository for a Series of Bonds as provided in Section 2.05.

Series means any series of Bonds authorized pursuant to a Supplemental Series Indenture.

Servicer means Concord Servicing Corporation, in its capacity as master servicer of the Loan Agreements, and its successors in such capacity.

Servicing Agreement shall mean the Agreement dated as of the 3<sup>rd</sup> day of November, 2010 between the Servicer and the Authority, as the same has been and may be amended and supplemented and any similar agreement with any successor as Servicer.

Servicing Fee means fees payable to the Servicer under the Servicing Agreement in connection with its duties as Servicer of the Loans which are the source of Pledged Loan Payments and to the Backup Servicer under the Backup Servicing Agreement.

Sinking Fund Installment means, with respect to a Series of Bonds, an amount so designated pursuant to the related Supplemental Series Indenture.

State means the State of New York.

Subsidized Bonds shall mean any Bonds with respect to which the Authority has irrevocably elected, pursuant to Section 54AA(g) of the Code or any other similar federal program creating subsidies for municipal borrowers, for which the Authority qualifies, to receive cash subsidy payments from the United States Treasury or another entity equal to a portion of the interest payable on such Bonds.

Supplemental Indenture means any indenture supplementary to or amendatory of the Indenture now or hereafter duly executed and delivered in accordance with the provisions hereof.

Supplemental Series Indenture means a Supplemental Indenture providing for the issuance of a Series of Bonds pursuant to Article III, as such Supplemental Indenture may be amended and supplemented.

Tax Compliance Document means a use of proceeds certificate or other similar document setting forth such provisions as are determined necessary or desirable by the Authority to assure compliance with requirements imposed by the Code as conditions to the eligibility of the Bonds to be treated as a Qualified Energy Conservation Bond, between the Authority and the Trustee, as the same may be amended or supplemented.

Trustee means The Bank of New York Mellon, a corporation organized and existing under the laws of the State of New York, having its principal office in New York, New York, and a paying agency office in the Borough of Manhattan in The City of New York, New York, in its capacity as trustee under the Indenture, and its successor or successors as trustee under the Indenture.

Section 1.02. Rules of construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.



(c) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the person or party whose approval, consent or acceptance is required.

(d) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(e) All references herein to particular articles or sections are references to articles or sections of this Indenture.

(f) The captions and headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Indenture nor shall they affect its meaning, construction or effect.

(g) References to any document, agreement, certificate or other instrument shall refer to the provisions of such instrument, as the same may be amended and supplemented from time to time.

(h) Words permitting discretion means that the Person having such discretion may take such action but is not obligated to do so.

(i) All references to the Trustee and the Paying Agent shall refer to such persons in their respective capacities solely with respect to a Series of Bonds as the same shall be identified in the related Supplemental Series Indenture.

Section 1.03. Liability under Bonds. The Bonds shall not be general obligations of the Authority, and shall not constitute an indebtedness of or a charge against the general credit of the Authority. The liability of the Authority under the Bonds shall be enforceable only to the extent provided in the Indenture, and the Bonds shall be payable solely from the Pledged Revenues and any other funds held by the Trustee under the Indenture and available for such payment. The Bonds shall not be a debt of the State of New York or any Borrower and neither the State of New York nor any Borrower shall be liable thereon. No owner of any Bonds shall have the right to demand payment of the principal of, or premium, if any, or interest on the Bonds out of any funds raised by taxation.

Section 1.04. Indenture of Trust and the Bonds 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 or own the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, the owners from time to time of the Bonds, and the pledge and assignment made herein and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the owners 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 Bonds over any other Bonds except as expressly provided herein or permitted hereby.

## ARTICLE II

### ISSUANCE; AUTHORIZATION; MANNER OF EXECUTION; AUTHENTICATION; REGISTRATION AND TRANSFER OF BONDS; OTHER PROVISIONS REGARDING BONDS

Section 2.01. Issuance of Bonds in one or more Series; designation of Bonds, provisions of Bonds. The Bonds may, at the election of the Authority, be issued in one or more Series and, except as hereinafter provided, shall be designated generally as “Residential Energy Efficiency Financing Revenue Bonds, Series \_\_\_\_\_”, with such further or different appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine pursuant to a Supplemental Series Indenture. Each Bond shall bear upon the face thereof the designation so selected for the Series to which it belongs.

Each Series of Bonds shall be issued pursuant to a Supplemental Series Indenture or Indentures.

Subject to determination from time to time by the Authority, as expressed from time to time in one or more Supplemental Series Indentures, the Bonds of any Series:

(a) shall be dated, shall be numbered, shall bear interest at such rates or determined by such methods and accruing from such dates and payable to the owners on such record dates, shall be payable and shall mature by their terms at such time or times, as may be provided in, or determined pursuant to such method or formula as may be established by, the Supplemental Series Indentures relating to the Series of which such Bonds are a part;

(b) shall have such particular designations added to, incorporated in or deleted from their title so as to distinguish such Series from any other Series of Bonds Outstanding under the Indenture as the Authority may determine, and may be in such denominations as may be determined by the Authority;

(c) may be limited as to the maximum principal amount thereof which may be authenticated by the Trustee and delivered or which may be at any time Outstanding, and an appropriate insertion in respect of such limitation may, but need not, be made in the Bonds of such Series;

(d) may contain provisions for the redemption thereof at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions as may be determined by the Authority and permitted by applicable law;

(e) may have mandatory provisions requiring payments for the purchase and/or sinking fund redemption of such Bonds, in such amounts, at such time or times, in such manner and upon such terms and conditions as shall be set forth in such Supplemental Series Indenture;

(f) may contain such provisions relating to Credit Facilities, as may be determined by the Authority;

(g) shall be in such form as is set forth in such Supplemental Series Indenture or in an exhibit thereto; and

(h) may be issued for the purpose of making funds available for the purpose of financing or refinancing loans or refinancing other obligations issued for such purpose.

Section 2.02. Mutilated, lost, stolen or destroyed Bonds. In the event any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee shall authenticate a new Bond of the same Series, principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed Bond bearing a number not contemporaneously Outstanding; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to each of them. In the event any such Bond shall have matured, or be about to mature, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the owner or owners of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section in replacement of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds of the same Series issued hereunder to the same extent as the Bonds in substitution for which such Bonds were issued.

Section 2.03. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Authority may execute, and upon the Authority's request in writing, the Trustee shall authenticate and deliver in lieu thereof, and subject to the same provisions, limitations, and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds herein before described and with appropriate omissions, variations and insertions. Bonds in temporary form will be for such principal amounts as the Authority shall determine. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the security and benefit of the Indenture. The Authority shall, without unreasonable delay, prepare, execute and deliver to the Trustee, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Trustee at the Corporate Trust Office, the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds of the same maturity, in definitive form in the authorized denomination, and for the same principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without making any charge therefor.

Section 2.04. Execution of Bonds; effect of change of officers. All the Bonds shall, from time to time, be executed on behalf of the Authority by, or bear the facsimile signature of, an Authorized Officer, and its corporate seal (which may be facsimile) shall be

thereunto affixed (or imprinted or engraved if facsimile) and attested by the signature of its Secretary or an Authorized Officer (which may be facsimile).

If any of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall be upon the Bonds shall cease to be such officer of the Authority before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or whose facsimile signature shall be upon the Bonds had not ceased to be such officer or officers of the Authority; and also any such Bond may be signed and sealed on behalf of the Authority by those persons who at the actual date of the execution of such Bond shall be the proper officers of the Authority, although at the date of the authentication of such Bond any such person shall not have been such officer of the Authority.

Section 2.05. Registration of Bonds; transfers; Securities Depository. (a) All the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds. The Trustee shall be the bond registrar and shall maintain and keep at the Corporate Trust Office a Bond Register for the registration and transfer of Bonds. Upon presentation thereof for such purpose at either said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

(b) Each Bond shall be transferable only upon the Bond Register at the Corporate Trust Office or the Paying Agency Office at the written request of the Registered Owner thereof or his representative 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 representative duly authorized in writing. Upon the transfer of any Bond, the Authority shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bonds.

(c) Notwithstanding any other provision of the Indenture, the Authority may employ a book-entry-only system of bond registration with respect to the Bonds, all as more fully set forth in this subsection and Subsections 2.05 (d) through (g) and as may be modified in any Supplemental Series Indenture. Any provisions of the Indenture inconsistent with book-entry-only Bonds shall not be applicable to such book-entry-only Bonds.

Bonds issued as book-entry-only Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond in the amount of each separate stated maturity of such Bonds. Upon initial issuance, the ownership of such Bond may be registered in the registry books kept by the Trustee in the name of the nominee of a Securities Depository or in the name of the Securities Depository. With respect to Bonds registered in the Bond Register kept by the Trustee in the name of a nominee of a Securities Depository or in the name of the Securities Depository, the Authority and the Trustee shall have no responsibility or obligation to any Securities Depository participant or to any beneficial owner. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, its nominee

or any participant with respect to any ownership interest in the Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than the nominee or Securities Depository, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than the nominee or Securities Depository, of any amounts with respect to the principal of or premium, if any, or interest on the Bonds. The Authority and the Trustee may treat as, and deem the nominee or Securities Depository to be, the absolute owner of each Bond issued as a book-entry-only Bond for the purpose of payment of the principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and premium, if any, and interest on book-entry Bonds only to or upon the order of the nominee or Securities Depository, and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligation with respect to the principal of and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. No person other than the nominee or Securities Depository shall receive an authenticated Bond issued as book-entry-only Bonds evidencing the obligation of the Authority to make payments of principal of and premium, if any, and interest pursuant to this Indenture. Upon delivery by the nominee or Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the existing nominee, the Trustee shall issue a new registered Bond to the new nominee in exchange for each Bond surrendered which was registered in the name of the old nominee to such new nominee of the Securities Depository.

(d) Upon receipt by the Authority and the Trustee of written notice from the Securities Depository to the effect that the Securities Depository is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Securities Depository hereunder with respect to any Series of Bonds can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds of such Series shall no longer be restricted to being registered in the Bond Register in the name of the nominee or the Securities Depository, but may be registered in whatever name or names the beneficial owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(e) In the event the Authority determines that it is in the best interests of the beneficial owners of Bonds that they be able to obtain Bond certificates, the Authority may notify the Securities Depository and the Trustee, whereupon the nominee or Securities Depository will notify the participants, of the availability through the nominee or Securities Depository of Bond certificates. In such event, the Trustee, at the Authority's expense, shall issue, transfer and exchange Bond certificates as requested to the Securities Depository and any other Bondowners in appropriate amounts, and whenever the Securities Depository requests the Authority and the Trustee to do so, the Trustee at the Authority's expense and the Authority will cooperate with the Securities Depository by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bond to any nominee or Securities Depository participant having Bonds credited to its Securities Depository account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(f) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of a nominee or the Securities Depository, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the nominee or the Securities Depository.

(g) In connection with any notice or other communication to be provided to Bondowners pursuant to this Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondowners, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the nominee or Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Section 2.06. Persons treated as owners. The Authority, the Trustee, and any Paying Agent may, for all purposes, deem and treat the Registered Owner of any Bond as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Authority nor the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

Payment made to the Registered Owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 2.06 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 2.07. Exchange of Bonds. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office and the Paying Agency Office.

Bonds, upon surrender thereof at the Corporate Trust Office or the Paying Agency Office with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his representative duly authorized in writing may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other authorized denominations.

Section 2.08. Payment for and limitations on exchanges and transfers. In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions hereof. The Bonds in changed denominations shall be exchanged for the surrendered Bonds in such manner that no overlapping interest is paid and no interest is lost, and such Bonds in changed denominations shall bear interest at the same rate or rates and mature on the same date or dates as the Bonds for which they are exchanged. All Bonds surrendered in any such exchanges or transfers shall forthwith be surrendered to the Trustee for cancellation and cancelled by the Trustee. For every such exchange or transfer of Bonds, 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. The cost of preparing each new Bond upon each exchange or transfer, and any other expenses (except any applicable tax, fee or other governmental charge) of the Authority or the Trustee incurred in connection with such exchange or transfer shall be paid by the Authority. Neither the Authority nor the Trustee shall be required

(a) to transfer or exchange Bonds for a period of fifteen (15) days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of notice of redemption of Bonds of such Series, or for a period of fifteen (15) days next preceding an interest payment date for Bonds; or (b) to transfer or exchange any Bond called for redemption as a whole or in part.

Section 2.09. Endorsement of certificate of authentication on Bonds. No Bond shall be secured hereby or entitled to the benefit of the Indenture or shall be valid or obligatory for any purpose unless there shall be endorsed on such Bond a certificate of authentication, substantially in the form prescribed in this Indenture, executed by the Trustee; and such certificate on any Bond issued by the Authority shall be conclusive evidence and the only competent evidence that such Bond has been duly authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.10. Cancellation of Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds acquired, redeemed or received by the Trustee as a credit to reduce any sinking fund redemption obligation or paid at maturity or otherwise delivered to the Trustee for cancellation, or Bonds purchased by the Trustee pursuant to Section 8.05, the same shall forthwith be cancelled and may be destroyed by the Trustee in such manner as it deems appropriate and the Trustee shall, if such Bonds are so destroyed, deliver its certificate as to such disposition to the Authority.

Section 2.11. Credit Facilities. (a) In connection with the issuance of any Series of Bonds hereunder, the Authority may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal of, redemption price or interest due or to become due on such Bonds. In connection therewith the Authority may enter into such agreements with the issuer of such Credit Facility (the "Credit Facility Issuer") providing for, inter alia: (i) the payment of fees and expenses to such Credit Facility Issuer; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; (iii) the security, if any, to be provided for the issuance of such Credit Facility; and (iv) such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the related Supplemental Series Indenture.

(b) The Authority may also in an agreement with such Credit Facility Issuer agree to reimburse such Credit Facility Issuer for amounts paid by such Credit Facility Issuer under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation"); provided, however, that no Reimbursement Obligation, including any Parity Reimbursement Obligation (as defined below), shall be created, for purposes of this Indenture, until the related purchase price or redemption price of or principal or interest payments on the Bonds are made from such Credit Facility. Any periodic fees or payments owing under such Credit Facility as well as any such Reimbursement Obligation may be secured by a pledge of, and a lien on, collateral and revenues securing such Series of Bonds on a parity with the lien created by the granting clauses hereof and by Section 3.01 (an obligation to pay such periodic fees or payments together with Reimbursement Obligation secured in such manner being hereinafter referred to as a "Parity Reimbursement Obligation"). Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the

Credit Facility which gave rise to such Parity Reimbursement Obligation relates and shall be part of the same “Series of Bonds” as such Series of Bonds for purposes of this Indenture. Any such Reimbursement Obligation may with respect to scheduled periodic fees or payments, provide that all or a portion thereof shall be Scheduled Credit Facility Fees hereunder or be payable from sources other than Revenues.

(c) Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the related Supplemental Series Indenture.

Section 2.12. Provisions regarding Bonds secured by a Credit Facility. (a) The Authority may include such provisions in a Supplemental Series Indenture authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Authority deems appropriate, including, but not limited to, provisions to the effect of the following:

(1) So long as the Credit Facility is in full force and effect, and payment on the Credit Facility is not in default, and the Credit Facility Issuer is not in bankruptcy or receivership, the Credit Facility Issuer shall be deemed to be the owner of the Outstanding Bonds of such Series secured by such Credit Facility when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and following an Event of Default under Article X. The Indenture may not be amended in any manner which affects the rights of the Credit Facility Issuer without the prior written consent of the Credit Facility Issuer.

(2) In the event that the principal and redemption price, if applicable, of and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of the Authority to the Bondowners of the Bonds paid with funds provided under such Credit Facility shall continue to exist and such Credit Facility Issuer shall be subrogated to the rights of the owners of the Bonds so paid in accordance with the terms of such Credit Facility.

(3) All or a portion of scheduled periodic fees payable to such credit facility issuer are Scheduled Credit Facility Fees for purposes of this Indenture.

(b) In addition, such Supplemental Series Indenture may establish such provisions as are necessary to provide relevant information to the Credit Facility Issuer and to provide a mechanism for paying principal installments, redemption premium, if any and if included, and interest on such Series of Bonds from the Credit Facility Issuer.



### ARTICLE III

#### SECURITY FOR BONDS; ISSUANCE OF BONDS; RELEASE OF EXCLUDED LOAN PAYMENTS

Section 3.01. Pledge and assignment effected by Indenture; Bonds equally and ratably secured; option of Authority to assign certain further rights and remedies to Trustee.

(a) The pledge and assignment effected by this Indenture shall be valid and binding from the date of execution and delivery of the Indenture, the moneys so pledged and assigned and hereafter received by the Authority shall be subject to the lien of such pledge and assignment without any physical delivery thereof or further act, such lien shall be a continuing, irrevocable and exclusive first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

(b) All Bonds issued and to be issued hereunder are, and are to be, to the extent provided in the Indenture, equally and ratably secured by the Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption or prepayment of the Bonds or any of them, so that, subject to the provisions of Section 9.05, all Bonds at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof. The aggregate principal amount of Bonds which may be executed and delivered by the Authority and authenticated by the Trustee and secured by the Indenture is not limited except as is or may hereafter be provided in the Indenture or as may be limited by law.

(c) As security for the payment of the principal of, and premium, if any, and interest on the Outstanding Bonds and for the performance of each other obligation of the Authority hereunder relating thereto, the Authority may pledge and assign to the Trustee any portion of the Authority's estate, right, title and interest and claim in, to and under any Loan Agreement and the right to make all related waivers and agreements in the name and on behalf of the Authority, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under the Loan Agreements, subject to the following conditions: (i) that the owners of the Bonds shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority and (ii) that, unless and until the Trustee shall, in its discretion when an Event of Default shall have occurred and shall be continuing, so elect, by instrument in writing delivered to the Authority (and then only to the extent that the Trustee shall so elect), the Trustee shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in any Loan Agreement to be performed by the Authority (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision); the Authority, however, shall remain obligated to observe and perform all the conditions and covenants in the Loan Agreements provided to be observed and performed by it, notwithstanding any such pledge and assignment.

(d) In the event the Authority elects to pledge and assign to the Trustee any of its rights under Loan Agreements or Loans with respect to Bonds as provided in subdivision (c) of this Section 3.01 the Trustee shall accept such pledge and assignment which acceptance shall be evidenced in writing and signed by an authorized officer of the Trustee.

Section 3.02. Issuance of Bonds. Bonds may be issued from time to time for the purposes of (i) financing or refinancing Loans made to Borrowers for residential improvements constituting Eligible Projects permitted to be financed under the Act and under the Green Jobs–Green New York Act, (ii) refinancing Bonds and other obligations issued by the Authority to finance or refinance Loans made to Borrowers for such purposes, (iii) paying costs incurred in connection with the issuance of Bonds, funding a Debt Service Reserve Fund, or (iv) funding a deposit to the Debt Service Fund to pay interest on Bonds, subject, in each case, to the following conditions. The Bonds of any Series shall forthwith be executed by the Authority and delivered to the Trustee for authentication and thereupon such Bonds shall be authenticated by the Trustee and shall be delivered to or upon the written order of an Authorized Officer, but only upon the receipt by the Trustee of proceeds (including accrued interest, if any) of sale of the Bonds of such Series, which will be deposited and applied in accordance with such written order of an Authorized Officer. Prior to, or simultaneously with, the authentication and delivery of the Bonds of a Series, the Trustee shall also receive the following:

(a) A copy of the resolutions adopted by the Authority authorizing the execution and delivery of the Indenture and the related Supplemental Indenture and any related Parity Reimbursement Obligation and the issuance, sale, execution and delivery of the Bonds of such Series, certified by an Authorized Officer of the Authority to have been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(b) An original executed counterpart or a copy, certified by the Authority, of the Servicing Agreement, the Indenture and the related Supplemental Indenture authorizing such Series of Bonds;

(c) An Officer's Certificate specifying the Loans and certifying that the Authority has entered into and fully disbursed the Loan Agreements which are to be the source of the Pledged Loan Payments unless the related Supplemental Series Indenture requires that such certification be a condition to the disbursement of all or a portion of the proceeds of the Series of Bonds to be issued pursuant thereto and, in such event, such Supplemental Series Indenture shall specify that any of the conditions set forth herein which relate to any Borrowers and any Loan not satisfied at the time of the issuance of such Series of Bonds shall be conditions to disbursement of such Bond proceeds to any Borrower or for any Loan as to which such condition shall not have been so satisfied.

(d) An Officer's Certificate evidencing that the Coverage Test is expected to be satisfied after all proceeds of the Bonds of such Series are disbursed as provided in the related Supplemental Series Indenture together with evidence confirming that the Ratings applicable to any outstanding Bonds will not be lowered or suspended or withdrawn by reason of the issuance of such Bonds.

(e) An opinion of Bond Counsel to the effect that the Bonds of such Series have been duly authorized, that all conditions precedent to the issuance thereof have been fulfilled and, that the Bonds of such Series are valid and legally binding special obligations of the Authority, secured by the Indenture, and are payable as to principal, premium, if any, and interest from, and are secured by a valid lien on and pledge of, the Pledged Revenues and moneys held by the Trustee under the Indenture and available therefor under the terms of the Indenture, all in the manner provided in the Indenture, together with a letter to the effect that the Trustee may rely on such opinion as if it were addressed to it;

(f) A written order and authorization to the Trustee on behalf of the Authority, signed by an Authorized Officer to authenticate and deliver the Bonds to or upon the order of the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price (including accrued interest, if any) of the Bonds; and

(g) A written order signed by an Authorized Officer of the Authority specifying how the proceeds of the Bonds are to be deposited and disbursed.

#### Section 3.03. Release of Pledged Revenues from Lien of this Trust Indenture.

(a) Subject to Sections 5.03 and 9.12 and limitations, if any, contained in any agreements with Credit Facility Issuers, the Authority may release specific Pledged Revenues (including without limitation, Pledged Loan Payments) from the lien created by this Indenture or substitute and add Pledged Revenues to the lien by providing and filing with the Trustee, (1) a certificate or a revised schedule describing the specific Pledged Revenues to be released and, if applicable, substituted therefor or added thereto, and (2) an Officer's Certificate confirming compliance with the Coverage Test in each year the Bonds are scheduled to be Outstanding and confirming that all additional or substituted Pledged Loan Payments derive from Loans to Borrowers who the Authority has determined meet the following underwriting criteria (the "Eligibility Criteria"): (a) a FICO score of at least 640 (680 if self employed two or more years; 720 if self employed less than two years), (b) a debt-to-income ratio not greater than 50%, (c) no bankruptcies, foreclosures, or repossessions within the last seven years, and (d) no combined outstanding collections, judgments or tax liens greater than \$2,500. Without limiting the generality of the foregoing, to the extent that moneys are made available by the Authority under Section 5.04(g), any future Pledged Loan Payments derived from defaulted or non-performing Loans which are no longer taken into account in such Loan Payments Officer's Certificate as Projected Net Revenues shall to the extent so directed by the Authority be released from the lien of this Indenture.

(b) The Trustee shall execute a release and such other instruments as the Authority may reasonably request in order to evidence the release from the lien of this Indenture of the specific Pledged Revenues to be released in accordance with this Section 3.03.

Section 3.04. Additional Financial Assistance to Borrowers. Nothing contained herein shall be construed to limit the right of the Authority to provide for any additional financial assistance or loans to any Borrowers or any other Person or to issue bonds, notes, or other obligations pursuant to another indenture of trust or resolution.

## ARTICLE IV

### AMENDMENT OF LOAN AGREEMENTS

Section 4.01. Amendments to Loan Agreements not requiring consent of Bondowners. The Authority may, without the consent of or notice to the Trustee or the Bondowners, make any amendment or modification to a Loan Agreement (i) if such amendment or modification is required for the purpose of curing any ambiguity or formal defect or omission, (ii) if such amendment or modification will not affect the timing or amount of any payments of principal or interest on the Loans, or (iii) if the Authority delivers to the Trustee an Officer's Certificate which demonstrates, after taking any such amendment in account, compliance with the Coverage Test in each year in which the Bonds are scheduled to be Outstanding.

ARTICLE V

COST OF ISSUANCE FUND; DEBT SERVICE FUND;  
DEBT SERVICE RESERVE FUNDS; LOAN FUND

Section 5.01. Creation and custody of pledged funds and accounts. (a) (i) Each of the following funds and accounts shall be established with respect to and for the benefit of all Bonds, in accordance with the provisions hereof and subject to application in accordance with the priority herein established:

- (1) Cost of Issuance Fund;
- (2) Debt Service Fund;
- (3) Revenue Fund; and
- (4) Loan Fund and the Prefunding Account therein.

(ii) The Authority shall cause all Pledged Revenues to be paid to the Trustee for deposit in the Revenue Fund. All Pledged Revenues shall be deposited in the Revenue Fund upon receipt by the Trustee. Moneys held therein constituting Pledged Revenues shall be applied from time to time in accordance with Section 5.03. Moneys, if any, held therein not constituting Pledged Revenues shall be applied as the Authority shall determine.

(iii) All the funds created pursuant to this Section 5.01(a) shall be held by the Trustee.

(b) The Authority may, by Supplemental Indenture or by Officer's Certificate, establish one or more additional funds, accounts or subaccounts.

Section 5.02. Cost of Issuance Fund. Such portion, if any, of the proceeds of the Bonds as is determined by the Authority shall be deposited in the Cost of Issuance Fund. The amount so deposited shall be paid by the Trustee upon requisition of the Authority to pay issuance costs incurred in connection with the issuance of the Bonds. Upon certification by an Authorized Officer that any amounts deposited in the Cost of Issuance Fund will not be required to pay Costs of Issuance, the Trustee shall transfer such amounts in accordance with written directions of the Authority.

Section 5.03. Application of Pledged Revenues held in the Revenue Fund. (a) On the last Business Day of each month and any other date on which Debt Service is due, the Trustee shall pay or transfer all Pledged Revenues held in the Revenue Fund each month to the funds and accounts or for the purposes set forth below in the following amounts in the following order of priority:

FIRST: to the Servicer, the Backup Servicer, the Trustee and any Paying Agent, any amount then due and owing as an Administrative Expense;

SECOND: To any Credit Facility Issuer, any Scheduled Credit Facility Fee;

THIRD: To the Debt Service Fund, the amount, if any, required so that the balance therein shall equal the sum of (i) amount of Debt Service accrued and unpaid as of such day and to accrue thereafter through the end of the next succeeding calendar month and (ii) the amount accrued and unpaid under any Parity Reimbursement Obligation, excluding Scheduled Credit Facility Fees, as of such day and to accrue thereafter through the end of the next succeeding calendar month; and

FOURTH: to the Collateral Agent, the amount, if any, necessary so that the amount therein is equal to the related Collateral Requirement, calculated as of such Business Day and as confirmed to the Trustee by the Authority; and

FIFTH: to each Debt Service Reserve Fund, the amount, if any, necessary so that the amount therein is equal to the applicable Debt Service Reserve Fund Requirement, calculated as of such Business Day and as confirmed to the Trustee by the Authority.

(b) On each date on which an Officer's Certificate is delivered pursuant to Section 6.12, all or any portion of moneys in the Revenue Fund determined by the Authority to be excess as shown in such Officer's Certificate confirming compliance with the Coverage Test shall be transferred to or at the direction of the Authority.

Section 5.04. Debt Service Fund.

(a) The Trustee shall deposit the following amounts as received in the Debt Service Fund:

- (1) The amount, if any, of the proceeds of any series of Bonds, required by the Indenture to be deposited in the Debt Service Fund in respect of interest.
- (2) All amounts required to be transferred to the Debt Service Fund pursuant to paragraph "THIRD" of Section 5.03.
- (3) Any amounts transferred to the Debt Service Fund from a Debt Service Reserve Fund which amounts shall be applied solely to pay the related Series of Bonds.
- (4) Any other amounts required to be paid to the Debt Service Fund or otherwise made available for deposit therein by the Authority, including without limitation any amounts made available by the Authority under clause (g) of this Section 5.04.

(5) Any moneys made available to the Trustee by a Credit Facility Issuer for deposit in the Debt Service Fund.

(b) The Trustee shall pay out of the Debt Service Fund from moneys available for such purpose to any Paying Agents for the Bonds (i) on each interest payment date, the amount required for the payment of interest on the Bonds due on such interest payment date and (ii) on any redemption date, the amount required for the payment of accrued interest on the Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment. The Trustee shall also pay out of the Debt Service Fund the accrued interest included in the purchase price of the Bonds purchased for retirement pursuant to subsection (e) below.

(c) The Trustee shall pay out of the Debt Service Fund to any Paying Agents for the Bonds on each principal payment date and redemption date (each as set forth in this Indenture) for the Bonds, the amounts required for the payment of such principal or redemption price on such date, and such amounts shall be applied by the Paying Agents to such payments.

(d) The Trustee shall pay out of the Debt Service Fund from moneys available for such purpose to any Credit Facility Issuer any amounts owed under a Parity Reimbursement Obligation on the date such amounts are payable other than Scheduled Credit Facility Fees.

(e) Amounts made available by the Authority for the purpose of purchasing Bonds may, and if so directed by the Authority shall, be applied by the Trustee prior to the forty-fifth (45th) day preceding any sinking fund redemption date to the purchase of Bonds of the maturity that are subject to such sinking fund redemption, at prices (including any brokerage and other charges) not exceeding the redemption price payable for such Bond pursuant to such sinking fund redemption plus unpaid interest accrued to the date of purchase. Upon such purchase of any Bond, the Trustee shall then credit an amount equal to the principal of the Bond so purchased toward the next succeeding sinking fund installment for such Bond.

(f) As soon as practicable after the forty-fifth (45th) day preceding the date of any such sinking fund redemption, the Trustee shall proceed pursuant to Article VIII to call for redemption on such redemption date Bonds of the maturity for which sinking fund redemption is required in such amount as shall be necessary to complete the retirement of the principal amount specified for such sinking fund redemption of the Bonds. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Debt Service Fund sufficient to pay the applicable redemption price thereof and interest thereon to the redemption date. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agents, on each such redemption date, the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(g) By no later than 1:00 P.M. on the third Business Day next preceding any Debt Service Payment Date, to the extent that there is a deficiency in available moneys in the Debt Service Fund to pay a Debt Service or a Scheduled Credit Facility Fee payment due on such Debt Service Payment Date, including any Debt Service amounts or Scheduled Facility Fees which are overdue, and there are insufficient moneys available to address such deficiency from the sources described in clause (a)(1) through (3) of this Section 5.04, the Trustee shall so

advise the Authority of the remaining portion of the deficiency and the Authority shall transfer to the Trustee Available GJGNY Moneys in the amount of the remaining portion of such deficiency, or, if less, the amount then available as Available GJGNY Moneys and shall continue to make such transfers from Available GJGNY Moneys as they become available until such deficiency is satisfied. To the extent so directed by the Authority in connection with transfers of Available GJGNY Moneys to the Trustee, future Loan Payments derived from non-performing or defaulted Loans shall be released from Pledged Loan Payments, subject to the provisions of Section 3.03.

(h) By no later than 1:00 P.M. on the second Business Day next preceding any Debt Service Payment Date, the Trustee shall notify the Authority and any Credit Facility Issuer in the event that the Pledged Revenues available therefore under the Indenture, including, without limitation, amounts being made available by the Authority under clause (g) of this Section 5.04, will not be sufficient to pay the Debt Service and the Scheduled Credit Facility Fees due on such Debt Service Payment Date when due. To the extent there exists a deficiency in available moneys in the Debt Service Fund to pay a Debt Service payment or Scheduled Credit Facility Fee then due, including any Debt Service amounts and Scheduled Credit Facility Fees which are overdue, and there are insufficient moneys available to address such deficiency from the sources described in clause (a) of this Section 5.04 other than moneys to be transferred from any Debt Service Reserve Fund, the Trustee shall so advise the Authority and any Credit Facility Issuer of the amount of such deficiency and the Trustee shall transfer to the Debt Service Fund moneys, if any, which are available to make up such deficiency from any Debt Service Reserve Fund, in each case solely to the extent moneys held in such funds are available for such transfer in accordance with this Indenture and the applicable Supplemental Series Indentures.

Section 5.05. Debt Service Reserve Fund. (a) The Trustee shall promptly deposit in the Debt Service Reserve Fund the following receipts:

- (1) any amounts required to be deposited therein in accordance with the related Supplemental Series Indenture;
- (2) any amounts made available for deposit in the Debt Service Reserve Fund pursuant to Section 5.03 FIFTH; and
- (3) any other amounts made available by the Authority for deposit therein.

All such deposits shall be made in accordance with written directions of the Authority.

(b) On any Debt Service Payment Date, the Trustee shall transfer from any Debt Service Reserve Fund, for deposit in the Debt Service Fund, any amounts due on the related Series of Bonds on such Debt Service Payment Date but as yet unavailable in the Debt Service Fund for such payment.

Section 5.06. Loan Fund. (a) Such portion of the proceeds of each Series of Bonds as shall be specified in the Supplemental Indenture authorizing such Series of Bonds shall be deposited in the Loan Fund and in the Prefunding Account therein. Such Supplemental Indenture shall specify the permitted uses of the amounts deposited in the Loan Fund and in the



Prefunding Account therein. The Trustee shall not be responsible for the use of Bond Proceeds paid out in accordance with the terms hereunder.

(b) Notwithstanding any other provision of this Indenture, the Depository Bank shall, upon the direction of the Authority, transfer to the Rebate Fund any portion of investment earnings on amounts on deposit in an account in the Loan Fund which amounts constitute a portion of a Rebate Amount relating to amounts so held.

Section 5.07. Non-presentment of Bonds. In the event any Bonds (or any portion thereof) shall not be presented for payment when the principal thereof and redemption premium, if any, thereon becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay such Bonds (or portions thereof) and redemption premiums, if any, shall be held by the Trustee for the benefit of the owner or owners thereof, all liability of the Authority to the owner or owners thereof for the payment of such Bonds (or portions thereof) and redemption premiums, if any, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the owner or owners of such Bonds who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or their part under the Indenture or on, or with respect to, such Bonds; provided, however, that in the event such non-presentment continues for a period of two (2) years, the Trustee shall thereupon upon request of an Authorized Officer to pay such funds to the Authority and thereafter the owner or owners of such Bonds shall have no recourse for such funds from the Trustee, but shall look only to the Authority for such payment.

Section 5.08. Trustee to notify Authority of amounts available in any fund. The Trustee, upon the request of the Authority, shall notify the Authority of the balance in any fund, account or subaccount established pursuant to the Indenture at the time of such request.

## ARTICLE VI

### REBATE FUNDS

Section 6.01. Creation and Custody of Rebate Funds. (a) To the extent so provided in a Supplemental Series Indenture, there shall be established a Rebate Fund with respect to the related Series of Bonds. Each such fund shall be held and applied by the Trustee in accordance with the related Supplemental Series Indenture and the related Tax Compliance Document.

(b) The Rebate Funds and amounts on deposit therein shall not be available for and shall not be pledged for the payment of Bonds.

(c) Amounts held in the Rebate Funds shall be invested in accordance with Article VII.

Section 6.02. Rebate Funds. The Trustee shall promptly deposit in the related account of the Rebate Fund any amounts transferred thereto in accordance with this Indenture and any other amounts provided for such purpose by the Authority. Except as otherwise permitted by the related Tax Compliance Document, amounts deposited in a Rebate Fund shall be applied to pay amounts, if any, determined owed to the United States of America under Section 148 of the Code in connection with such Series of Bonds.

## ARTICLE VII

### SECURITY FOR AND INVESTMENT OF MONEYS

Section 7.01. Moneys held in trust. All moneys from time to time received by the Trustee and held in any fund created pursuant to the Indenture, except amounts held in a Rebate Fund, shall be held in trust by the Trustee for the benefit of the owners from time to time of the Bonds entitled to be paid therefrom, subject to the provisions of Section 9.05. Moneys held by the Trustee in trust under the Indenture need not be segregated from other funds except to the extent required by law or Section 6.01.

Section 7.02. Uninvested moneys held by the Trustee. All moneys received by the Trustee hereunder and not invested by the Trustee pursuant to the provisions of this Article VII, to the extent not insured by the Federal Deposit Insurance Corporation or other Federal agency, shall be deposited with the Trustee or with a national or state bank or a trust company which has a combined capital and surplus aggregating not less than \$100,000,000.

Section 7.03. Investment of, and payment of interest on, moneys. Moneys on deposit to the credit of the Cost of Issuance Fund, the Debt Service Fund, the Revenue Fund, the Loan Fund, the Rebate Fund or any Debt Service Reserve Fund may be retained uninvested as trust funds. Such moneys shall, at the written direction of an Authorized Officer, be invested by the Trustee in: (a) obligations of the United States and obligations the principal and interest of which are unconditionally guaranteed by the United States; (b) obligations of New York State and obligations the principal and interest of which are guaranteed by New York State; (c) deposits with such banks or trust companies as may be designated by the Authority, each such bank or trust company deposit being continuously and fully secured by obligations described in clauses (a) or (b); (d) deposit accounts in, or certificates of deposit issued by, and bankers acceptance of, any U.S. bank, trust company or national banking association (which may include the Trustee), having a rating on its short term certificates of deposit on the date of purchase of P-1 by Moody's and A-1 or A-1+ by S&P, which investments mature not more than 360 calendar days after the date of purchase; (e) money market funds, which funds have a composite investment grade rated not less than "AAAm" or equivalent by Moody's or S&P; or (f) investment agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or any governmental bond dealer reporting to, trading with and recognized as a primary dealer by, the Federal Reserve Bank of New York, which has, or the parent company of which has, long-term debt rated at least "A" or its equivalent by S&P or Moody's, with respect to any of the obligations or securities specified in (a) above; or (g) any other obligations from time to time permitted by the Act or other applicable law.

Any investment made hereunder may be executed by any bank or trust company acting as Trustee under this Indenture at the time of such investment. The Trustee may rely upon any written direction of an Authorized Officer as to both the suitability and legality of the directed investment.

The securities purchased with the moneys in each such fund shall be held by or under the control of the Trustee and shall be deemed a part of such fund. The interest, including

any realized increment on securities purchased at a discount, received on all such securities in any fund shall be deposited by the Trustee to the credit of such fund, subject to the provisions of Section 6.01. Losses, if any, realized on securities held in any fund shall be debited to such fund. Neither the Trustee nor any Depository Bank shall be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as herein authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in any such fund or account be redeemed or sold in order to raise the moneys necessary to comply with the provisions of the Indenture, the Trustee shall effect such redemption or sale, employing in the case of a sale any commercially reasonable method of effecting such sale.

Any direction to invest moneys given orally under the terms of the Indenture shall be confirmed in writing in detail reasonably sufficient to the Trustee, signed by an Authorized Officer and which shall specify that any investment designated in such direction is of a type permitted by Section 7.03.

Section 7.04. Disposition of amounts after payment of Bonds. Any amounts remaining in any fund created under the Indenture after payment in full of principal of and premium, if any, and interest on all the Bonds, or provisions for payment thereof having been made in accordance with the provisions of the Indenture, and payment of all the fees, charges and expenses of the Authority, the Trustee, and the Paying Agents and, to the extent that such amounts are attributable to the administration of the Indenture, the Loan Agreements and the Tax Compliance Document, and any amounts required to be paid to the United States of America pursuant to the Tax Compliance Document, shall, except as otherwise provided in Section 14.01(2), belong to and be paid to or at the direction of the Authority by the Trustee on demand to the extent the Trustee is so instructed pursuant to an Officer's Certificate.

## ARTICLE VIII

### REDEMPTION OF BONDS

Section 8.01. Bonds to be redeemed only in manner provided in Article VIII. Any redemption of all or any part of the Bonds which are subject to redemption, including any redemption in accordance with any sinking fund provisions of the Indenture, shall be made in the manner provided in this Article VIII.

Bonds of any maturity which are subject to redemption at the option of the Authority shall be called by the Trustee for redemption in the manner provided in this Article VIII upon receipt by the Trustee, at least twenty-five (25) days prior to the redemption date, of an executed counterpart of a written direction of an Authorized Officer of the Authority to the Trustee providing for such redemption. Such written direction shall specify the redemption date and the principal amount of Bonds or portions thereof and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions of the Indenture, as the case may be, pursuant to which such Bonds are to be called for redemption. With respect to any optional redemption of Bonds it shall be a condition to such redemption that the Authority shall have deposited moneys sufficient to pay the redemption price and the Authority shall have filed an Officer's Certificate evidencing compliance with the Coverage Test after giving effect to such redemption, in each case on or prior to the mailing of the redemption notice for such optional redemption. The foregoing provisions of this paragraph shall not apply in the case of any redemption of any Bonds in accordance with any sinking fund provisions of the Indenture and such Bonds shall be called by the Trustee for redemption pursuant to such sinking fund provisions without the necessity of any action by the Authority.

The moneys necessary for any redemption of Bonds shall be paid to or deposited with the Trustee on or prior to the redemption date. All Bonds called for redemption will cease to bear interest on the specified redemption date, provided funds sufficient for the redemption of such Bonds in accordance with the Indenture are on deposit with the Trustee. If such moneys are not available on the redemption date, the Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 8.02. Redemption of less than all Bonds. Except as otherwise provided in the applicable Supplemental Series Indenture, if less than all of the Bonds of a Series shall be called for redemption, the Authority shall select the maturity or maturities and principal amounts thereof so to be redeemed.

Section 8.03. Notice of Redemption. In the case of any redemption, the Trustee shall give in the name of the Authority notice to the Registered Owners of the Bonds, or portions thereof, so called, as provided in Section 15.05, at least twenty (20) but no more than sixty (60) days before the date fixed for redemption that Bonds of a particular maturity date properly identified have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such identification may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Corporate Trust Office or, at the option of the owner, at the

corporate trust office of the Paying Agent, if any, for such Bonds, at the applicable redemption price (specifying such price) together with accrued interest to such date, that the redemption is pursuant to a sinking fund provision, if that is the case, and that all interest on the Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date; provided, however, that the failure to so mail such notice with respect to any particular Bonds shall not affect the validity of such call for redemption of any Bonds with respect to which no such failure has occurred.

Any notice to the Trustee pursuant to Section 8.01 or to the Owners of Bonds pursuant to this Section 8.03 may state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the applicable 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 or of the failure of any such condition shall be given by the Trustee to affected Owners of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Section 8.04. Rights of owners of Bonds called for redemption limited to redemption price and accrued interest. If notice of redemption has been given as provided in Section 8.03, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with accrued interest to the date fixed for redemption. Payment of the redemption price, together with accrued interest, shall be made by the Trustee upon surrender of such Bonds. If there shall be called for redemption less than the entire principal amount of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Registered Owner thereof, Bonds of like maturity date for the unredeemed portion of the principal amount of the Bond so surrendered.

Subject to the deposit of amounts necessary for the redemption of such Bonds as provided in Section 8.01, from and after the date fixed for redemption designated in such notice, notwithstanding that any Bonds so called for redemption in whole or in part shall not have been surrendered for cancellation, no further interest shall accrue upon the principal of any of the Bonds or portions thereof so called for redemption; and such Bonds or portions thereof so to be redeemed shall cease to be entitled to any lien, benefit or security under the Indenture and the owners thereof shall have no rights in respect of such Bonds or portions thereof except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

Section 8.05. Purchase of Bonds. The Trustee, acting on behalf of the Authority, as the Authority's agent and with the Authority's funds, shall, if and to the extent practicable, purchase Bonds at the written direction of an Authorized Officer at such time, in such manner and at such price as may be specified in an Officer's Certificate. The Trustee may so purchase Bonds with any moneys then held by it and available for the redemption or purchase of Bonds, provided that subsequent to the giving of notice of redemption of any Bonds moneys held for the redemption of such Bonds may not be applied to any such purchase and provided further that moneys held pursuant to Section 14.01 shall not be deemed to be held and available for the

redemption or purchase of Bonds. All such Bonds so purchased shall be cancelled by the Trustee in accordance with Section 2.10.

## ARTICLE IX

### PARTICULAR COVENANTS

Section 9.01. Payment of principal of and interest and redemption premium on Bonds. The Authority will promptly pay from Pledged Revenues and other funds held by the Trustee and available therefor the Debt Service on, every Bond issued under and secured by the Indenture and any sinking fund payments provided in the Indenture and any premium required to be paid for the retirement of said Bonds by redemption, at the places, on the dates and in the manner specified in the Indenture and in said Bonds according to the true intent and meaning thereof, subject, however, to the provisions of Section 1.03.

Section 9.02. Performance of covenants. The Authority will faithfully perform at all times all covenants, undertakings, stipulations and provisions contained in the Indenture and in any and every Bond and in all proceedings of the Authority pertaining hereto or thereto.

Section 9.03. Further instruments. The Authority will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of the Indenture; provided, however, that no such instruments or actions shall pledge the credit of the Authority or the State of New York or any Borrower or the taxing power of the State of New York or any Borrower or otherwise be inconsistent with the provisions of Section 1.03.

Section 9.04. Inspection of Project books. All books and documents in the possession of the Authority relating to the Indenture, the Bonds, the Loans, or any Loan Agreement shall at all times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 9.05. No extension of time of payment of interest. In order to prevent any accumulation of claims for interest after maturity the Authority will not directly or indirectly extend or assent to the extension of the time of payment of any claims for interest on any of the Bonds and will not directly or indirectly be a party to or approve any such arrangement by purchasing such claims for interest or in any other manner. In case any such claim for interest shall be extended in violation hereof, such claim for interest shall not be entitled, in case of any default hereunder, to the benefit or security of the Indenture except subject to the prior payment in full of the principal of, and premium, if any, on, all Bonds and other Bonds issued and Outstanding hereunder, and of all claims for interest which shall not have been so extended or funded.

Section 9.06. Trustee's and Paying Agents' fees, charges, expenses and indemnification. The Authority shall (1) pay to the Trustee and the Paying Agent from time to time reasonable compensation for all services rendered by each hereunder; (2) except as otherwise expressly provided herein, reimburse the Trustee and the Paying Agent upon its respective request for all reasonable expenses, disbursements and advances incurred or made by such Trustee or Paying Agent in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful



misconduct; and (3) to indemnify the Trustee and the Paying Agent for, and to hold each harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder; provided, however, that the obligations of the Authority to make such payments and reimbursements and to indemnify the Trustee in such manner shall be limited to any amounts received from the Borrowers permitted to be used for such purpose and to any other amounts held and available under this Indenture permitted to be used for such purpose.

Section 9.07. Agreement of the State. In accordance with the provisions of Section 1860.11 of the Act, the Authority, on behalf of the State, does hereby pledge to and agree with the owners of the Bonds that the State will not limit or alter the rights and powers vested by the Act in the Authority to fulfill the terms of any contract made with Bondowners or in any way impair the rights and remedies of such owners, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest (if payable under the terms of any Bonds), and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged.

Section 9.08. Inspection of Bond Register. At reasonable times and under reasonable regulations that shall have been established by the Trustee, the Bond Register may be inspected and copied by the Authority or by the owners (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 9.09. Disposition of the Proceeds of Sale or Redemption of Loans which are expected to be a source of Pledged Loan Payments. Subject to the provisions of Section 3.04 hereof, in the event any Loan which is expected to be a source of Pledged Loan Payments shall be sold by the Authority, or redeemed, the Authority shall deposit the proceeds of such sale or redemption allocable to such Pledged Loan Payments, except an amount thereof net of the costs and expenses of the Authority in effecting the sale, into the Revenue Fund.

Section 9.10. Enforcement of Loan Agreements which are expected to be a source of Pledged Loan Payments. The Authority shall diligently enforce or cause to be enforced, and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of the Loan Agreements which are expected to be the source of Pledged Loan Payments, to the extent necessary to assure the sufficiency of Pledged Revenues to pay Debt Service on all Bonds as and when due, including prompt collection of such Pledged Loan Payments. Enforcement of the Loan Agreements by the Servicer shall be deemed to be enforcement by the Authority.

Section 9.11. Servicing Agreement. In furtherance of its obligations under Section 9.10, the Authority shall cause a Servicer to be appointed and to be acting as master servicer for all Loans which are the expected source of Pledged Loan Payments and shall diligently enforce the obligations of the Servicer thereunder. Any successor Servicer shall be reasonably acceptable to each Credit Facility Issuer. To the extent so provided in a

Supplemental Series Indenture and any agreement with a Credit Facility Issuer, a Credit Facility Issuer may be given authority to appoint a successor Servicer.

Section 9.12. Coverage Test; Additional Pledged Revenues. The Authority shall on or before each January 15, April 15, July 15 and October 15, commencing October 15, 2013, prepare a projection of Pledged Revenues, Administrative Expenses, Debt Service, Scheduled Credit Facility Fees and Projected Net Revenues for each Bond Year during which Bonds are then expected to be Outstanding. Such projection shall be based on Pledged Loan Payments as of the close of the preceding month. A copy of such projection shall be furnished to the Trustee and each Credit Facility Issuer. As and to the extent that such projection does not show compliance with the Coverage Test, by no later than 30 days following the delivery of such projection, the Authority shall either (i) cause additional payments on Loans to be included as Pledged Loan Payments under this Indenture so that Projected Net Revenues, together with amounts held in the Revenue Fund and Debt Service Fund, will at least equal 110% of projected Maximum Annual Debt Service requirements in each Bond Year or (ii) make provision by the deposit or application of moneys held under this Indenture for the payment of Debt Service and Scheduled Credit Facility Fees such that the Pledged Loan Payments will be sufficient to comply with the Coverage Test. "Coverage Test" means that Projected Net Revenues, together with amounts held in the Revenue Fund and Debt Service Fund, are expected to be available when necessary to pay all projected Debt Service and Scheduled Credit Facility Fees in each Bond Year as and when due and such Projected Net Revenues, together with amounts held in the Revenue Fund and Debt Service Fund, in the aggregate in any Bond Year, are expected to be at least equal to 110% of projected Maximum Annual Debt Service, all as determined by the Authority and evidenced by an Officer's Certificate. Solely for purposes of the Coverage Test, principal and interest on the Bonds due on each July 1 shall be assumed to accrue on the preceding June 30.

## ARTICLE X

### DEFAULTS AND REMEDIES

Section 10.01. Events of Default. The occurrence and continuances of one or more of the following events with respect to Bonds shall constitute an Event of Default for purposes of this Indenture:

- (a) default in the payment of any installment of interest, principal, premium, if any, or sinking fund installment in respect of any Bond as the same shall become due and payable; or
- (b) failure on the part of the Authority duly to observe or perform any other of the covenants or agreements on the part of the Authority contained in the Indenture for a period of thirty (30) days after the date on which written notice of such failure, requiring the Authority to remedy the same, shall have been given to the Authority by the Trustee; provided that, if such failure cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and is diligently pursued until the failure is corrected; or
- (c) the Trustee shall receive written notice from a Credit Facility Issuer of the occurrence of an “event of default” under a Credit Facility or the agreement providing for the issuance thereof.

Section 10.02. Judicial proceedings by Trustee. Upon the happening and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction shall:

- (a) by suit, action or special proceeding, enforce all rights of the owners of the Bonds and require the Authority to perform its duties under the Act, Green Jobs Green New York Act, the Loan Agreements, the Bonds and the Indenture;
- (b) bring suit upon the Bonds which may be in default;
- (c) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the owners of the 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 owners of the Bonds.

The remedy of acceleration shall not be available to the owners of any Obligation or to any Credit Facility Issuer.

Section 10.03. Effect of discontinuance or abandonment of proceedings. In case the Trustee shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined

adversely to the Trustee, then and in every such case the Authority, the Trustee and the owners of the Bonds shall be restored respectively to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Authority, the Trustee and such owners, respectively, shall continue as though no such proceedings had been taken.

Section 10.04. Power of Owners to direct proceedings. Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, subject, however, to the provisions of Section 11.04, and provided, however, such direction shall not be in conflict with any rule of law or with any provision of the Indenture and shall not unduly prejudice the rights of the owners of the Bonds who are not in such majority and shall not involve the Trustee in liabilities for which it does not reasonably expect reimbursement. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of a majority in aggregate principal amount of the Bonds.

Section 10.05. Limitation on actions by Bondowners. No owner 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 owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the owners of not less than twenty-five percent (25%) 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 hereinabove 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 Indenture or for any other remedy hereunder; it being understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, 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 owners of Outstanding Bonds, subject, however, to the provisions of Section 9.05. Nothing in the Indenture or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any owner of any Bond to enforce payment of the principal of and premium, if any, and interest on his Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

Section 10.06. Trustee's right to enforce rights in respect of Bonds in own name and without possession of Bonds. All rights of action under the Indenture 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 owners of the Bonds, subject to the provisions of the Indenture.

Section 10.07. No remedy herein conferred upon or reserved exclusive. No remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy or remedies, except as provided in Section 10.10, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder.

Section 10.08. No delay or omission to be deemed waiver of default. No delay or omission of the Trustee or of any owner 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 X to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

Section 10.09. Application of moneys received by Trustee pursuant to Article X. Any moneys received by the Trustee or by any receiver pursuant to this Article X in respect of Bonds, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of any fees, charges, expenses and indemnities owed to the Trustee, any Paying Agent or their agents in connection with services rendered under this Indenture and the payment of all Administrative Expenses and Scheduled Credit Facility Fees then due and owing and subject to the limitations as to particular Pledged Revenues set forth in Article V, be applied, together with any other moneys held by the Trustee under the Indenture as follows:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest including (to the extent provided with respect to such Bonds and permitted by law) interest on overdue installments of interest at the rate borne by the Bonds on which such interest shall then be due, and, if the amount available shall not be sufficient to pay in full any particular installment or installments, then to the payment ratably, according to the amounts due on such installment or installments, to the Persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption or purchase for the payment of which moneys are held pursuant to the provisions of the Indenture) in the order of their due dates, with interest on such Bonds from the respective dates, upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or preference;

THIRD: To the payment of all amounts owed to any Credit Facility Issuer.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date any interest on the amounts of principal or interest to be paid on such dates shall cease to accrue. The Trustee shall give notice to the Authority and all Registered Owners of the related Bonds, in the manner required by Section 15.05 of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 10.10. Entirety of Agreement. In accordance with Section 1865 of the Act, the rights and remedies of the owners of the Bonds and of the Trustee set forth in this Article X are in lieu of the rights and remedies of owners of bonds of the Authority set forth in Section 1294 of the Act.

Section 10.11. Notice of Event of Default. The Trustee shall, within 30 days after the occurrence of an Event of Default relating to Bonds becomes known to it, give notice thereof to all owners of Bonds by mail to each Registered Owner of the Bonds in the manner provided in Section 15.05 unless such Event of Default shall have been cured before the giving of such notice or the Trustee shall determine that it is not in the best interest of Bondowners to give such notice.

## ARTICLE XI

### CONCERNING THE TRUSTEE AND PAYING AGENT

Section 11.01. Appointment of Trustee. The Bank of New York Mellon is hereby appointed as Trustee. The Trustee hereby accepts the duties and obligations of the Trustee created by this Indenture. Subject to the provisions of Section 11.15, the Trustee undertakes to perform such duties as are specifically set forth in the Indenture and no implied covenants or obligations shall be read into the Indenture or the Loan Agreement against the Trustee.

Section 11.02. No responsibility for correctness of statements in Indenture. The recitals, statements and representations in the Indenture and other financing documents to which the Trustee is a party or in the Bonds contained save only the Trustee's certificate of authentication upon any Bonds, shall be taken and construed as made by and on the part of the Authority, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any hereof or thereof. The Trustee makes no representation as to the value of the Pledged Loan Payments or as to the interest of the Authority therein or as to the security afforded thereby or hereby or as to the validity or genuineness of any other property at any time pledged or deposited with the Trustee or as to the validity or sufficiency of the Indenture and other financing documents to which the Trustee is a party or the Bonds.

Section 11.03. No responsibility for default of agents selected with reasonable care, nor for own acts save willful misconduct or negligence. The Trustee may execute such of the trusts or powers required of it hereunder and perform the duties required of it hereunder as may be reasonably necessary by or through attorneys, agents or receivers and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care. The Trustee may in all cases pay such reasonable compensation to and receive reimbursement for all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may consult with and act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice. The Trustee shall not be liable for the exercise of any discretion or power under the Indenture or for anything whatever in connection with the trusts herein created, except only for its own willful misconduct or negligence.

Section 11.04. No duty to take enforcement action unless so requested by owners of 25% of the Bonds. Unless and until an Event of Default with respect to Bonds shall have occurred, the Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any

provisions of the Indenture to the Trustee to take action in respect of any default without such notice or request from the Bondowners, or without such security or indemnity.

Section 11.05. Right to rely. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document (including investment instructions) which it shall in good faith believe to be genuine and to have been authorized or signed by the proper Person or to have been prepared and furnished pursuant to any of the provisions of the Indenture, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Any action taken by the Trustee upon the request or consent of any Person who at the time of making such request or giving such consent is the owner of any Obligation shall be conclusive and binding upon all subsequent owners of such Obligation or any Obligation issued on registration of transfer thereof. The Trustee shall have no responsibilities for determining whether the parties thereto have complied with the terms of the Tax Compliance Document.

Section 11.06. Right to own and deal in Bonds and engage in other transactions with Borrowers and Authority. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds issued or incurred hereunder and secured by the Indenture, and may join in any action which any owner of an Obligation may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or any Borrower, and may act as depository, trustee, or agent for any committee or body of owners of any Bonds secured hereby or other obligations of the Authority or any Borrower as freely as if it were not Trustee hereunder.

Section 11.07. Construction of provisions of Indenture by Trustee. The Trustee may construe any of the provisions of the Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the owners of Bonds.

Section 11.08. No implied duties or risks. The Trustee shall not have implied duties hereunder and the Trustee shall not be required to expend or risk its own funds for payment of any of the obligations provided for in this Indenture. The Trustee's permissive rights enumerated hereunder shall not be construed as duties.

Section 11.09. Right to resign trust. The Trustee may at any time and for any reason resign and be discharged of the trusts created by the Indenture by filing a written instrument resigning such trusts and specifying the date when such resignation shall take effect with the Secretary of the Authority not less than 60 days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation to owners of any Obligation by mail in the manner provided in Section 15.05 not less than twenty-one (21) days prior to the date specified in such notice when such resignation shall take effect; provided, however, that no such resignation shall become effective until the acceptance of appointment by a successor Trustee in accordance with Section 11.13.



Section 11.10. Removal of Trustee. (a) The Trustee at any time and for any reason may be removed from the trusts relating to the Bonds created by this Indenture by an instrument in writing, appointing a successor, filed with the Trustee so removed and executed by the owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that no such removal shall become effective until the acceptance of appointment by a successor Trustee for such series in accordance with Section 11.13.

(b) The Trustee at any time other than during the continuance of an Event of Default and for any reason may be removed from the trusts relating to the Bonds created by this Indenture by an instrument in writing, executed by an Authorized Officer, appointing a successor, filed with the Trustee so removed; provided, however, that no such removal shall become effective until the acceptance of appointment by a successor Trustee in accordance with Section 11.13.

Section 11.11. Appointment of successor Trustee by Bondowners or Authority. In case at any time the Trustee shall resign, or shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or Federal court or administrative body because of insolvency or bankruptcy, or for any other reason, a vacancy shall forthwith and ipso facto exist in the office of the Trustee, then a successor may be appointed by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or instruments in writing filed with the Secretary of the Authority, signed by such Bondowners or by their attorneys-in-fact duly authorized. Copies of each such instrument shall be promptly delivered by the Authority to the predecessor Trustee, to the Trustee so appointed.

Until a successor Trustee shall be appointed by the Bondowners as herein authorized, the Authority, by an instrument authorized by resolution, shall appoint a Trustee to fill such vacancy. After any appointment by the Authority, it shall cause notice of such appointment to be mailed to each Bondowner in the manner provided in Section 15.05. Any new Trustee so appointed by the Authority shall immediately and without further act be superseded by a Trustee appointed by the Bondowners in the manner above provided.

Section 11.12. Qualifications of successor Trustee. Every successor in the trust hereunder appointed pursuant to the foregoing provision shall be a bank or trust company with trust powers, organized and doing business under the laws of the United States or any state or territory thereof and having a combined capital and surplus of at least \$250,000,000, if such a bank or trust company willing and able to accept the trust on customary terms can, with reasonable effort, be located.

Section 11.13. Court appointment of successor Trustee. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article XI within forty-five days of the giving of notice of resignation, the owner of any Obligation or the retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Section 11.14. Acceptance of appointment by, and transfer of trust estate to, successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and

deliver to the Authority an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the withdrawing Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, the Trustee ceasing to act and the Authority shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of the Trustee so ceasing to act, and the Trustee so ceasing to act shall pay over to the successor Trustee all moneys and other assets at the time held by it hereunder.

Section 11.15. Successor Trustee by merger or consolidation. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation to which any Trustee hereunder may transfer substantially all of its assets, shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.16. Exercise of rights and powers during Event of Default. Notwithstanding any other provisions of this Article XI, the Trustee shall, during the existence of an Event of Default actually known to the Trustee, exercise such of the rights and powers vested in it by the Indenture and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances in the conduct of his own affairs.

Section 11.17. Trustee may intervene in judicial proceedings involving the Authority or any Borrower. In any judicial proceeding to which the Authority or any Borrower is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may in its own name or as trustee of an express trust intervene on behalf of the owners of the Bonds and shall, upon receipt of indemnity satisfactory to it, do so if requested in writing by the owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding if permitted by the court having jurisdiction in the premises.

Section 11.18. Paying Agents. The Authority hereby appoints The Bank of New York Mellon as the initial Paying Agent for the Bonds. The Authority may at any time or from time to time appoint one or more additional or successor Paying Agents for any or all Series of Bonds in the manner and subject to the conditions set forth in this Section 11.17. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by written instrument of acceptance deposited with the Authority and the Trustee.

Each Paying Agent shall be a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof, having a capital stock and surplus aggregating 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 Indenture.

Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 60 days' prior written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority.

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 be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 11.19. Directions and Consents. For purposes of Sections 11.04 and 13.02 and for all other provisions under the Indenture relating to a direction to the Trustee or a consent by the owners, the Trustee shall, in determining whether the owners of the required aggregate principal amount of Bonds of any series have concurred in any such direction or consent, disregard Bonds which the Trustee actually knows to be owned by the Authority, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Authority.

## ARTICLE XII

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

Section 12.01. Execution of instruments; proof of ownership of Bonds. Any request, direction, consent, or other instrument in writing required or permitted by the Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and shall be signed or executed by such Bondowners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the Bond Register.

Nothing contained in this Article XII shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the owner of any Bond shall bind every future owner of the same Bond, or any Bond issued in exchange or substitution therefor or on registration of transfer thereof, in respect of anything done by the Trustee in pursuance of such request or consent.

## ARTICLE XIII

### INDENTURES SUPPLEMENTAL HERETO

Section 13.01. Supplemental Indentures not requiring consent of Bondowners. Subject to the conditions and restrictions herein contained, the Authority and the Trustee may, without the consent of or notice to the Bondowners, enter into an indenture or indentures supplemental hereto, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of owners of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the owners of Bonds or the Trustee or either of them;
- (c) To subject to the provisions of the Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under any Federal statute now or hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to the Indenture or any Supplemental Indenture, such other terms, conditions and provisions as may be permitted or required by said Federal statute or Blue Sky Law, provided that any such Supplemental Indenture referred to in this subsection (d) shall not, in the judgment of the Trustee, be to the prejudice of the owners of the Bonds in making which judgment the Trustee shall be entitled to rely on an opinion of counsel in accordance with Section 11.03;
- (e) To provide for the issuance of a Series of Bonds under Article III.
- (f) To establish one or more additional funds, accounts or subaccounts; or
- (g) To provide for any change in the Indenture which, in the opinion of the Trustee, does not materially adversely affect or diminish the rights or interests of the Trustee or the owners of Bonds in making which determination the Trustee shall be entitled to rely on an opinion of counsel in accordance with Section 11.03.

Section 13.02. Supplemental Indentures requiring consent of Bondowners. Except as otherwise provided in Section 13.01, any modification or amendment of the Indenture may be made only with the consent of in case less than all of the Bonds then Outstanding are so affected, the owners of not less than a majority in aggregate principal amount of the aggregate of all Bonds so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any particular Bonds remain Outstanding, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall be made which will reduce the percentages of aggregate principal amount of Bonds, the consent of the owners of which is required for any such modification or amendment, or change the provisions hereof relative to

approval by Series of Bonds, or permit the creation by the Authority of any lien prior to or, except solely to secure Additional Bonds, on a parity with, the lien of the Indenture upon the rights and interest pledged to Bonds pledged hereunder, or which will affect the times, amounts and currency of payment of the principal (including sinking fund payments, if any) of and premium, if any, and interest on the Bonds without the consent of the owners of all Bonds then Outstanding and affected thereby.

For the purposes of the Indenture, Bonds shall be deemed to be affected by a modification or amendment of the Indenture if the same materially adversely changes or diminishes the rights of the owners of the Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds would be affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on the Authority and all owners of the Bonds. For all purposes of this Article XIII, the Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, as to which such action affects the rights under the Indenture of any owners of Bonds then Outstanding, in accordance with Section 11.03.

If at any time the Authority shall request the consent of Bondowners to the execution of any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given to Bondowners in the manner provided in Section 15.05. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners. If, within 60 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the required consent and approval of Bondowners is obtained, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority or the Trustee from executing the same or restrain the Authority or the Trustee from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

The Trustee shall execute any Supplemental Indenture executed and delivered in accordance with this Article; provided that, if, in the opinion of the Trustee, any such Supplemental Indenture adversely affects the rights, duties, immunities or obligations of the Trustee under the Indenture or otherwise, the Trustee may in its discretion resign in accordance with the provisions of the Indenture, and upon giving notice of such resignation the Trustee, in accordance with Section 11.08, shall have no obligation to execute such Supplemental Indenture.

## ARTICLE XIV

### DEFEASANCE

#### Section 14.01. Defeasance. 1. If at any time

(a) there shall have been delivered to the Trustee for cancellation any or all of the Bonds (other than any Bonds which have been mutilated, lost, stolen or destroyed and which shall have been replaced or paid as provided in the Indenture except for any such Bonds as are shown by proof satisfactory to the Trustee to be held by bona fide purchasers), or

(b) with respect to any or all of the Bonds not theretofore delivered to the Trustee for cancellation, the whole amount of the principal and the interest and the premium, if any, due and payable or to become due and payable on such Bond or Bonds then Outstanding shall be paid or deemed to be paid as set forth below,

and provision shall also be made for paying all other sums payable hereunder, including the Authority's, Trustee's and Paying Agents' fees and expenses with respect to such Bonds, then the Trustee, in such case, on demand of the Authority, shall release the lien of the Indenture with respect to such Bond or Bonds and shall execute such documents as may be reasonably required by the Authority and in the case of such release in respect of all Bonds issued under the Indenture, shall turn over to or at the direction of the Authority any balances remaining in any fund created under the Indenture, other than moneys and Investment Obligations (as defined in the second succeeding paragraph) retained for the redemption or payment of Bonds; otherwise, the Indenture shall be, continue and remain in full force and effect.

2. Notwithstanding the foregoing, the Trustee shall not release any funds held pursuant to this Section 14.01 to the Authority until it shall have received an opinion of Bond Counsel to the effect that such funds may be transferred to the Authority without adversely affecting the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

3. Subject to the next succeeding sentence, Bonds shall be deemed to be paid whenever there shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) either moneys in an amount which shall be sufficient, or noncallable obligations issued or guaranteed by or backed by the full faith and credit of, the United States of America (including certificates or any other evidence of an ownership interest in any such obligation or in specified portions thereof, which may consist of specified portions of the principal thereof or the interest thereon) (herein referred to as "Investment Obligations") certified by an independent accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without the necessity of further investment or reinvestment of either the principal amount thereof or interest therefrom, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of, and premium, if any, and interest due and to become due on all such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and if redeemed prior to maturity an irrevocable instruction to mail the

redemption notice as provided in Article VIII has been given, and the Trustee shall have given notice to the Registered Owners of such Bonds in the manner provided in Section 15.05 that a deposit meeting the requirements of this paragraph has been made and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, such Bonds; provided, however, that neither Investment Obligations nor moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any Investment Obligations shall be withdrawn, or used for any purpose other than, and shall be held in trust for, the payment of the principal of, and premium, if any, and interest on such Bonds.

It shall also be a condition to Bonds being deemed to be paid that the Authority has delivered to the Trustee an opinion of Counsel to the effect that the owners will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts (if any), in the same manner and at the same times as would have been the case if such legal defeasance had not occurred.

4. Any Supplemental Series Indenture may provide for additional or different defeasance provisions including, but not limited to, such provisions as may be required to accommodate the existence of Credit Facilities.



ARTICLE XV

MISCELLANEOUS

Section 15.01. Parties in interest. Except as herein otherwise specifically provided, nothing in the Indenture expressed or implied is intended or shall be construed to confer upon any Person other than Authority, the Trustee, the owners of the Bonds issued hereunder, any right, remedy or claim under or by reason of the Indenture, the Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee, the owners of the Bonds issued hereunder.

Section 15.02. Severability. In case any one or more of the provisions of the Indenture or of the Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of the Indenture or of the Bonds and the Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 15.03. No individual liability. No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any director, officer, agent, or employee of the Authority in his individual capacity, and neither the directors of the Authority nor any official executing the Bonds or any other Bonds shall be liable personally on the Bonds or any other Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 15.04. Payments due on Saturdays, Sundays and holidays. Except as may otherwise be provided in the related Supplemental Series Indenture with respect to Bonds of any Series, 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 (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 15.05. Notices. Except as otherwise set forth herein, all notices, demands, directions and requests to be given to or made hereunder by the Authority and the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by first class United States mail, postage prepaid, addressed as follows:

As to the Authority	17 Columbia Circle Albany, New York 12203-6399 Attention: President
---------------------	---

As to the Trustee	101 Barclay Street – 7W New York, New York 10286 Attention: New York Municipal Finance Unit
-------------------	---

Any such notice, demand, direction or request may also be transmitted to the appropriate above-mentioned party by facsimile or electronic mail transmittal and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be in writing and sent as specified above.

Any notice, demand, direction or request given or transmitted to the Trustee the Collateral Agent or the Authority shall be effective only upon receipt.

Any of such addresses may be changed at any time upon written notice of such change sent by facsimile, electronic mail, first-class United States mail, postage prepaid, to the other parties by the party affecting the change.

Section 15.06. Governing Law. The law of the State of New York shall govern the construction of the Indenture and of all Bonds issued and incurred hereunder.

Section 15.07. Effective date; counterparts. This Indenture shall become effective on delivery. This Indenture may be executed in several counterparts, all of which shall constitute but one and the same instrument.

Section 15.08. Instructions to Trustee. The Trustee agrees to accept and act upon instructions or directions pursuant hereto by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the sender shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the sender elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The sender agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.09. Date for identification purposes only. The date of this Indenture shall be for identification purposes only and shall not be construed to imply that this Indenture was executed as of any date other than the respective dates of the execution delivery hereof by the parties hereto.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its President and CEO or Treasurer and its corporate seal to be hereunto affixed and attested by its Acting Secretary, and the Trustee has caused this Indenture to be executed by its authorized officer, all as of the date first above written.

**NEW YORK STATE ENERGY RESEARCH  
AND DEVELOPMENT AUTHORITY**

(SEAL)

ATTEST:

By \_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Acting Secretary

**THE BANK OF NEW YORK MELLON,**  
as Trustee

By \_\_\_\_\_  
Vice President