

CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY

to

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

INDENTURE OF TRUST (SERIES 2021 PROJECT)

Dated as of August 1, 2021

City of Yonkers Industrial Development Agency
School Facility Revenue Bonds
(Yonkers City School District Project), Series 2021A

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FORM OF REQUISITION FROM THE PROJECT FUND

FORM OF NOTICE TO THE STATE COMPTROLLER

DESCRIPTION OF FACILITIES

INDENTURE OF TRUST (SERIES 2021 PROJECT)

THIS INDENTURE OF TRUST (SERIES 2021 PROJECT) dated as of the date set forth on the cover page hereof (this "*Indenture*"), by and between the **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY**, Yonkers, New York, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701, party of the first part, and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of New York, as Trustee under this Indenture (the "*Trustee*"), having its principal corporate trust office at 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202, party of the second part,

WITNESSETH:

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes and which may include or mean an industrial pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 83 of the 1982 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of City of Yonkers, New York (the "*City*") and the inhabitants thereof; and

WHEREAS, the Legislature of the State of New York (the "*State*") has determined in The Yonkers City School District Joint Schools Construction and Modernization Act, constituting Chapter 355 of the Laws of 2016 of the State (the "*Yonkers Schools Act*") that the construction of new school facilities is needed for the City School District of the City of Yonkers (the "*YCSD*") in order to improve the quality of education in the City; and

WHEREAS, pursuant to the Yonkers Schools Act [and an intermunicipal agreement dated as of ____ __, 20__, the City and the YCSD have entered into an agreement pursuant to the General Municipal Law of the State and the charter of the City] and have established the Yonkers Joint Schools Construction Board (the "*JSCB*") to act as the agent of the City and the YCSD; and

WHEREAS, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry in the City; and

WHEREAS, pursuant to the Yonkers Schools Act and other applicable legislation, design, reconstruction or rehabilitation of existing school buildings for their continued use as schools of the YCSD have been determined to be a qualified “project” under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

WHEREAS, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations and has received a proper application from the JSCB, acting on behalf of the YCSD and the City, for the Yonkers Schools Construction and Modernization Project (the “Program”), to induce the YCSD to acquire an interest in, and undertake the design, rehabilitation and/or reconstruction of, certain existing school buildings (including additions to an existing school building and construction or reconstruction of athletic fields, playgrounds, and other recreational facilities for such existing school building and/ or acquisition and installation of all Equipment (as defined herein) necessary and attendant to and for the use of such existing school building) located within the City (collectively, the “Facilities”) of the YCSD, such Facilities to be located at the sites listed in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Agency has determined that the financing of a portion of the costs of the first phase (“Phase 1”) of the Program will assist the YCSD in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

WHEREAS, as a result of such negotiations, the JSCB has requested the Agency to issue its bonds from time to time in one or more series through multiple indentures of trust and in an aggregate principal amount not to exceed \$_____ to effect such financing; and

WHEREAS, the Agency adopted a resolution on July __, 2021, authorizing the issuance of its revenue bonds to effect such financing and the acquisition of an interest in and to the Facilities by the Agency from the City and the YCSD, the appointment of the JSCB as agent of the Agency and the sale of the Agency’s interest in and to the Facilities to the City and the YCSD; and

WHEREAS, in order to finance a portion of the costs of the Facilities as part of the Program and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2021A Bonds described herein, the Agency has authorized the issuance of its School Facility Revenue Bonds (Yonkers City School District Project), Series 2021A in the aggregate principal amount of \$_____ (the “Series 2021A Bonds”) pursuant to the IDA Act, the Yonkers Schools Act, a resolution of the members of the Agency adopted on July __, 2021, and this Indenture; and

[**WHEREAS**, simultaneously with the issuance and delivery of the Series 2021A Bonds, a non-cancelable financial guaranty insurance policy (the “Bond Insurance Policy”) will be issued by _____ (the “Bond Insurer”), which Bond Insurance Policy provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2021A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and]

WHEREAS, the City and the YCSD have granted a license to the Agency in and to the Facilities pursuant to a License Agreement (Series 2021 Project), dated as of even date herewith, among the City, the YCSD and the Agency⁷ (as the same may be amended or supplemented, the “*License*”) and conveyed title to the equipment comprising of a portion of the Facilities to the Agency pursuant to a Bill of Sale to Agency, dated as of even date herewith; and

WHEREAS, the Agency has sold its interest in the Facilities to the City and the YCSD pursuant to an Installment Sale Agreement (Series 2021 Project), dated as of even date herewith, among the Agency, the City, the JSCB and the YCSD (as the same may be amended or supplemented, the “*Installment Sale Agreement*”); and

WHEREAS, the Agency has appointed the JSCB as its agent pursuant to the Installment Sale Agreement for purposes of completing the Series 2021 Project (as defined in the Installment Sale Agreement); and

WHEREAS, it is contemplated that that the Agency will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

WHEREAS, concurrently with the execution hereof, the YCSD and the City will enter into an State Aid Depository Agreement, dated as of even date herewith, with Manufacturers and Traders Trust Company, acting as Depository Bank, to provide for, among other things, the payment of all State Aid to Education (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository Bank for periodic transfer to the Bond Fund and equivalent fund established under each Series Indenture toward payment of the Series 2021A Bonds, other series of Additional Bonds and each other series of Project Bonds (as defined herein) issued under a Series Indenture, [and, to the extent of any deficiency therein, to the Debt Service Reserve Fund and equivalent fund, if any, established under each Series Indenture,] and the balance to the General Fund (also as defined therein); and

WHEREAS, pursuant to the Yonkers Schools Act, in the event that the City and the YCSD shall fail to make a payment due under the Installment Sale Agreement or any other Series Facilities Agreement, the Agency (or the related Series Trustee acting on its behalf), shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state or school aid payable to the City or the YCSD and immediately pay over same to the Agency (or such related Series Trustee); and

WHEREAS, the Series 2021A Bonds and the Trustee’s Certificate to be endorsed thereon are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[FORM OF FULLY REGISTERED SERIES 2021A BOND]

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF YONKERS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF YONKERS, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR

**CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY
SCHOOL FACILITY REVENUE BONDS
(YONKERS CITY SCHOOL DISTRICT PROJECT), SERIES 2021A**

Issuance Date:

Maturity Date:

Registered Holder: Cede & Co.

Principal Amount:

Interest Rate: _____(_____%) per annum

Bond Number: RA-__

CUSIP:

City of Yonkers Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “State”), duly organized and existing under the laws of the State (herein called the “Agency”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2021 Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Issuance Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing [May] 1, 20[22] through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

This bond shall bear interest from the Issuance Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2021A Bonds (as defined below), this

bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

Payment of Principal. The principal or Redemption Price of the Series 2021A Bonds shall be payable at the corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (said bank and any successor thereto under the Indenture (defined hereinbelow), the “*Trustee*”) and Paying Agent, or at the corporate trust office of any successor Paying Agent.

Payment of Interest. In the event the Holder of this bond shall not be DTC or its nominee, interest on this bond shall be payable to the person appearing on the registration books of the Trustee as the registered owner hereof on the Record Date next preceding the Interest Payment Date (1) by check or draft mailed on the Interest Payment Date to the registered owner, or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2021A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2021A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the “*Special Record Date*”) which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2021A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as “City of Yonkers Industrial Development Agency, School Facility Revenue Bonds (Yonkers City School District Project), Series 2021A” (hereinafter called the “*Series 2021A Bonds*”) issued in the aggregate principal amount of \$_____. The Series 2021A Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State, particularly the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, as amended, and Chapter 83 of the 1982 Laws of New York, as amended (collectively, the “*Act*”), and The Yonkers City School District Joint Schools Construction and Modernization Act, constituting Chapter 355 of the Laws of 2016 of the State, as the same may be amended (the “*Yonkers Schools Act*”), and under and pursuant to a resolution adopted by the members of the Agency on July __, 2021, authorizing the issuance of the Series 2021A Bonds, and under and pursuant to an Indenture of Trust (Series 2021 Project), dated as of August 1, 2021 (as the same may be amended or supplemented, the “*Indenture*”), made and entered into between the Agency and the Trustee for the purpose of financing a portion of the costs of the design, reconstruction, rehabilitation and/or equipping of certain existing school buildings (collectively, the “*Facilities*”) within the City of Yonkers, New York (the “*City*”) of

the City School District of the City of Yonkers, a school district of the State of New York (the “YCS D”). Pursuant to a License Agreement (Series 2021 Project), dated as of August 1, 2021 (as the same may be amended or supplemented, the “*License*”), among the City, the YCS D and the Agency, the City and the YCS D have granted a license to the Agency in and to the Facilities. The Agency has sold its license interest in the Facilities under the License to the City and the YCS D pursuant to an Installment Sale Agreement (Series 2021 Project), dated as of August 1, 2021 (as the same may be amended or supplemented, the “*Installment Sale Agreement*”), among the Agency, the City, the Yonkers Joint Schools Construction Board (the “*JSCB*”) and the YCS D. The Installment Sale Agreement requires the payment by the City and the YCS D of (i) Base Installment Purchase Payments as scheduled payments equal to the principal of ‘and interest on the Series 2021A Bonds and any Additional Bonds that may be issued under the Indenture (collectively, the “*Bonds*”) as the same become due[, and (ii) Reserve Payments (together with the Base Installment Purchase Payments, the “*Installment Purchase Payments*”) to pay deficiencies in the Debt Service Reserve Fund established under the Indenture.] Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

Pledge and Security. The obligation of the City and the YCS D to pay Installment Purchase Payments under the Installment Sale Agreement is executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement referred to below) appropriated by the State and available to the City and/or the YCS D, and budgeted by the YCS D and appropriated by the City and the YCS D for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof is incurred by the City and the YCS D beyond the amount of such moneys so available and appropriated, *provided, however,* that the failure of the City and the YCS D for any reason (including a failure by the State to appropriate State Aid to Education or a failure by the City or the YCS D to budget and appropriate funds) to make an Installment Purchase Payment or an Additional Payment under the Installment Sale Agreement is deemed a failure to make a payment for purposes of the Installment Sale Agreement, the Yonkers Schools Act and the Indenture. Further, the obligation of the City and the YCS D to pay Installment Purchase Payments is not a general obligation of the City or the YCS D and neither the faith and credit nor the taxing powers of the City are pledged to the payment of Installment Purchase Payments. The obligations of the City and the YCS D under the Installment Sale Agreement to pay Installment Purchase Payments in any Fiscal Year of the City and the YCS D constitutes a current expense of the YCS D for such Fiscal Year and shall not constitute an indebtedness or moral obligation of the City or the YCS D within the meaning of any constitutional or statutory provision or other laws of the State of New York (the “*State*”). The only source of moneys available to the City and the YCS D for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time for the benefit of the YCS D, and budgeted and appropriated for such purpose by the City and the YCS D and, to the extent of any Installment Purchase Payment deficiency, state and/or school aid payable to the City or the YCS D received by the Trustee pursuant to the intercept by the State Comptroller.

Each of the YCS D, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the “*Depository Bank*”), have entered into a State Aid Depository Agreement, dated as of August 1, 2021 (as the same may be amended or supplemented, the “*State Aid Depository Agreement*”), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained

with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture[, and to the extent of any deficiency therein, to the Debt Service Reserve Fund established under the Indenture, and the equivalent fund, if any, established under each other Series Indenture,] and the balance to the General Fund (as defined in the State Aid Depository Agreement).

Copies of the Indenture, the Installment Sale Agreement, the License and the State Aid Depository Agreement are on file at the principal corporate trust office of the Trustee at 255 East Avenue, 4th Floor, Rochester, New York 14604, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Series 2021A Bonds, the charging and collection of Installment Purchase Payments for the Facilities, the custody and application of the proceeds of the Series 2021A Bonds, the rights and remedies of the holders of the Series 2021A Bonds, and the rights, duties and obligations of the Agency, the School Parties and the Trustee.

Pursuant to the Indenture, the Agency has assigned to the Trustee substantially all of its right, title and interest in and to the Installment Sale Agreement, including all rights to receive Base Installment Purchase Payments to pay the principal of and interest on the Series 2021A Bonds as the same become due[, and of Reserve Payments to pay deficiencies in the Debt Service Reserve Fund,] all to be made by the City and the YCSD pursuant to the Installment Sale Agreement, and all executory only to the extent of State Aid to Education as provided above.

The Series 2021A Bonds are special obligations of the Agency and shall never constitute a debt of the State of New York nor of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Series 2021A Bonds be payable out of any funds of the Agency other than those pledged therefor. Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Series 2021A Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Trustee and the holders of the Series 2021A Bonds, and the terms upon which the Series 2021A Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, Additional Bonds may be issued from time to time in one or more series for the purpose of financing the Facilities, providing funds to repair, relocate, replace, rebuild, or restore an affected Facility in the event of damage, destruction or taking by eminent domain, providing additions, rehabilitation or recreational facilities to one or more Facilities, or refunding outstanding Bonds. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

Redemption of Series 2021A Bonds.

(a) *General Optional Redemption.* The Series 2021A Bonds maturing from May 1, 20[] to and including May 1, 20[] are not subject to optional redemption prior to the maturity thereof. The Series 2021A Bonds maturing on and after May 1, 20[] are subject to redemption, in whole or in part, at any time on or after May 1, 20[] (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by the City of its intention to prepay Base Installment Purchase Payments due under the

Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus in each case accrued interest to the redemption date.

(b) *Mandatory Redemption from Excess Bond Proceeds.* The Series 2021A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2021 Project, or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2021A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) *Redemption Procedures.* If any of the Series 2021A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2021A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2021A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2021A Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any redemption of the Series 2021A Bonds as provided in paragraph (a) above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Series 2021A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem such Series 2021A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2021A Bonds so called for redemption at the place or places of payment, such Series 2021A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2021A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2021A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2021A Bond so affected, shall not affect the validity of the redemption of such Series 2021A Bond.

Payments Due on Saturdays, Sundays and Holidays. In any case where any payment date of principal or Redemption Price, if any, and/or interest on this bond shall be (i) a Saturday or Sunday, (ii) a day in which banks in the State of New York, or in the city in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on

which the New York Stock Exchange, Inc. is closed, then payment of such principal or Redemption Price, if any, and/or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Agency and the rights of the holders of the Bonds at any time by the Agency with the consent of the Trustee, or, where so provided in the Indenture, the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder; provided, however, that if any such amendment or modification would affect only a single series of Bonds, then the consent of the holders of not less than a majority in aggregate principal amount of such series of Bonds at the time Outstanding thereunder shall instead be required. Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Book-Entry System. The Series 2021A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One bond certificate with respect to each date on which the Series 2021A Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or its agent. The book-entry system will evidence positions held in the Series 2021A Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2021A Bonds in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Agency and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, redemption premium, if any, and interest on this bond, (ii) notices, and (iii) voting. Transfer of principal, and interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Redemption Price, and interest payments to Beneficial Owners of the Series 2021A Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Agency and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Agency, the Trustee and the Securities Depository.

Denominations. The Series 2021A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof

Exchange of Series 2021A Bonds. The holder of this bond may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal

amount of Series 2021A Bonds of any of the authorized denominations of the same maturity and maturities as this bond or the Series 2021A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Series 2021A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2021A Bonds to be redeemed, or (ii) transfer or exchange any Series 2021A Bonds selected, called or being called for redemption in whole or in part.

Transfer of Series 2021A Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Agency kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2021A Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, and interest due hereon and for all other purposes whatsoever.

No Acceleration of Series 2021A Bonds. In no event shall the principal of any Series 2021A Bond be declared due and payable in advance of its final stated maturity.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Agency. This bond and the issue of which it forms a part are special obligations of the Agency, payable by the Agency solely out of the Installment Purchase Payments, revenues or other receipts, funds or moneys of the Agency pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Series 2021A Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Agency nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, City of Yonkers Industrial Development Agency has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary, all as of the Issuance Date indicated above.

**CITY OF YONKERS INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Chairman

ATTEST:

By: _____
Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Yonkers Industrial Development Agency School Facility Revenue Bonds (Yonkers City School District Project), Series 2021A, of the issue described in the within-mentioned Indenture.

**MANUFACTURERS AND TRADERS TRUST
COMPANY, *Trustee***

By: _____
Authorized Signatory

Date of Authentication: _____

[STATEMENT OF INSURANCE\

[_____ (“_____”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to Manufacturers and Traders Trust Company, Buffalo, New York, or its successor, as paying agent for the Series 2021A Bonds (the “*Paying Agent*”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent.\

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____
Attorney to transfer the such bond on the books kept for the registration thereof, with full power
of substitution in the premises.

DATED: _____

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

**SIGNATURE GUARANTEED
MEDALLION GUARANTEED**

Authorized Signature
(Signature Guarantee Program Name)

(Signature Guarantee must be a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)

[END OF FORM OF SERIES 2021A BOND]

WHEREAS, all things necessary to make the Series 2021A Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special obligations of the Agency according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the Installment Purchase Payment, revenues and receipts herein made to the payment of the principal of, redemption premium, if any, and interest on the Series 2021A Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Series 2021A Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

That the Agency in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Agency of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto Manufacturers and Traders Trust Company, as Trustee, and unto its respective successors in trust, and to their respective assigns, for the benefit of the Holders of the Bonds to the extent permitted by law, forever for the securing of the performance of the obligations of the Agency hereinafter set forth, the following:

GRANTING CLAUSES

I

All moneys and securities from time to time held by the Trustee under the terms of this Indenture including amounts set apart and transferred to the Project Fund, the Bond Fund, [the Debt Service Reserve Fund,] [the Bond Insurance Payments Account (Series 2021A)] or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from such funds in accordance with the provisions of the Installment Sale Agreement and this Indenture (and when so disbursed, such amounts shall automatically be released from the assignment, pledge, lien and security interest of this Indenture); provided, however, that the Bond Insurance Payments Account (Series 2021A) shall only be pledged for the benefit of the Holders of the Series 2021A Bonds, provided, further, however, there is expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund.

II

All right, title and interest of the Agency in and to the Installment Sale Agreement, including all installment purchase payments, revenues and receipts payable or receivable thereunder, excluding, however, the Agency's Reserved Rights, which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally; provided, however, that no

exercise by the Agency of the Agency's Reserved Rights shall limit or restrict the rights of [the Bond Insurer,] the Trustee or the Bondholders to exercise their rights and remedies under the Security Documents.

III

All right, title and interest of the Agency in and to the State Aid to Education pursuant to the Yonkers Schools Act, subject, however, (i) to the right of the Agency or any other public entity to make any future pledges, of no greater priority than the pledge effected under this Indenture, of its respective right, title and interest in and to the State Aid to Education, and (ii) to the right of the Agency to receive state and/or school aid payable to the City or the YCSD, for application in the priority set forth in Section 5.4 hereof, in satisfaction of the Agency's Reserved Rights (which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally).

IV

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Agency or by any other person, firm or corporation with or without the consent of the Agency, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund [or the Debt Service Reserve Fund].

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others of the Bonds, except as otherwise expressly provided in this Indenture, provided, however, that if the Agency, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and any applicable redemption premium, of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof and shall make the payments into the Bond Fund as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee sufficient amounts, 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 to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that, and it is expressly declared, all the Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Agency has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and owners, from time to time of the Bonds or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Terms not otherwise defined below shall have the same meanings as used in the Installment Sale Agreement, the State Aid Depository Agreement or in the Tax Compliance Documents.

“**Act**” or “**IDA Act**” shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 83 of the 1982 Laws of New York, as amended.

“**Additional Bonds**” shall mean one or more series of additional bonds issued, executed, authenticated and delivered under this Indenture.

“**Agency**” shall mean the City of Yonkers Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof

“**Arbitrage and Use of Proceeds Certificate**” shall mean, with respect to a Series of Bonds, the applicable Arbitrage and Use of Proceeds Certificate of the School Parties relating to such Series of Bonds.

“**Authorized Representative**” shall have the meaning ascribed thereto in the Installment Sale Agreement.

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

“**Bankruptcy Code**” shall mean Title 11 of the United States Code, as it is amended from time to time.

“**Base Facilities Agreement Payment Certificate**” shall have the meaning ascribed thereto in the State Aid Depository Agreement.

“**Base Installment Purchase Payments**” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

“Beneficial Ownership Interest” shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

“Bond Fund” shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

“Bondholder”, “Holder of Bonds”, “Holder” or “holder” shall mean any Person who shall be the registered owner of any Bond or Bonds.

“Bond Insurance Payments Account (Series 2021A)” shall mean the special trust account established for the benefit of the Holders of the Series 2021A Bonds pursuant to Section 2.10 of this Indenture.]

“Bond Insurance Policy” shall mean, with respect to the Series 2021A Bonds, the municipal bond insurance policy relating to the Series 2021A Bonds issued by the Series 2021A Bond Insurer to the Trustee concurrently with the original issuance of the Series 2021A Bonds insuring the scheduled payment when due of the principal of and interest and Sinking Fund Installments on the Series 2021A Bonds as provided therein and, with respect to a Series of Additional Bonds, the municipal bond insurance policy relating to such Series of Bonds issued by a Bond Insurer to the Trustee concurrently with the original issuance of such Series of Bonds insuring the scheduled payment when due of the principal of and interest and Sinking Fund Installments on such Series of Bonds as provided therein.]

“Bond Insurer” shall mean, with respect to the Series 2021A Bonds, the Series 2021A Bond Insurer and, with respect to a Series of Additional Bonds, such other Person as shall issue a Bond Insurance Policy with respect to such Series of Additional Bonds.]

“Bond Insurer Disqualification Event” shall mean with respect to a Bond Insurer any of the following events or circumstances:

(a) such Bond Insurer has failed to pay or has wrongfully dishonored any amount under the Bond Insurance Policy issued by such Bond Insurer;

(b) the Bond Insurance Policy issued by such Bond Insurer shall at any time for any reason be determined under applicable law, by a court of final competent jurisdiction, to be null and void and not valid and binding on the related Bond Insurer or the validity or enforceability thereof is being contested by the related Bond Insurer or by any governmental agency or authority which has taken control of the assets of the related Bond Insurer in any bankruptcy, insolvency or similar proceedings and which shall be authorized under applicable law to so act on behalf of such Bond Insurer;

(c) such Bond Insurer is temporarily restrained from making a payment under the related Bond Insurance Policy by court order or by action of any governmental or quasi-governmental body; or

(d) the Bond Insurance Policy issued by such Bond Insurer is no longer in effect.]

“Bond Registrar” shall mean the Trustee acting as registrar as provided in Section 3.10 of this Indenture.

“Bond Resolution” shall mean the resolution of the Agency adopted on _____, 2021, authorizing the Series 2021 Project and the issuance of the Series 2021A Bonds.

“Bonds” shall mean the Series 2021A Bonds and any Additional Bonds.

“Bond Service Charges” shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

“Bond Year” shall have the meaning ascribed thereto in the Tax Certificate.

“Business Day” shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

“City Engineer” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

“Collecting Officer” shall have the meaning ascribed thereto in the State Aid Depository Agreement.

“Commissioner of Finance” shall have the meaning ascribed thereto in the State Aid Depository Agreement.

“Costs of Issuance” shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter’s spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter’s counsel, Trustee’s counsel, Agency’s counsel, counsel to each of the School Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant’s fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees (including the fees of any Bond Insurer) and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and

reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

“**Credit Facility**” shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

[“**Debt Service Reserve Deficiency**” shall mean the excess, if any, of the Debt Service Reserve Requirement over the amount on deposit in the Debt Service Reserve Fund.]

[“**Debt Service Reserve Fund**” shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.]

[“**Debt Service Reserve Requirement**” shall mean an amount not to exceed the lesser of (i) the maximum amount of principal and interest scheduled to be paid in the current Bond Year or in any future Bond Year on Bonds issued and Outstanding under the Indenture, (ii) 125% of average annual debt service on the Bonds Outstanding, or (iii) 10% of the Bond Proceeds (face amount of the Bonds plus accrued interest and premium less original issue discount).]

“**Defeasance Obligations**” shall mean only (1) cash, (2) non-callable direct obligations of the United States of America (“*Treasuries*”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof

“**Depository Bank**” or “**Depository**” shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns in such capacity.

“**DTC**” shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

“**Environmental Compliance Agreement**” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“**Event of Default**” shall have the meaning specified in Section 8.1 of this Indenture.

“**Event of Nonappropriation**” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“**Fitch**” shall mean Fitch Ratings and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Trustee by notice to the Notice Parties.

“**Indenture**” shall mean this Indenture of Trust (Series 2021 Project), as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of this Indenture.

“**Installment Sale Agreement**” shall mean the Installment Sale Agreement (Series 2021 Project), dated as of even date herewith, among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

“**Interest Account**” shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

“**Interest Payment Date**” shall mean, with respect to the Series 2021A Bonds, May 1 and November 1 of each year, commencing May 1, 2009, through and including the maturity date of the Series 2021A Bonds.

“**Moody’s**” shall mean Moody’s Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

“**Nationally Recognized Bond Counsel**” shall mean Harris Beach PLLC or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

“**Notice Parties**” shall mean the Agency, [the Bond Insurer,] the School Parties, the Paying Agent and the Trustee.

“**Opinion of Counsel**” shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.

“**Outstanding**”, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under this Indenture, except:

- (a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under this Indenture for cancellation;
- (b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of this Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys, in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 hereof, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in this Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of this Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

“Participants” shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” shall mean any paying agent for the Bonds appointed pursuant to this Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

“Pledge and Assignment” shall mean the Pledge and Assignment dated as of August 1, 2021, by the Agency to the Trustee, acknowledged by the City, the YCSD and the JSCB.

“Principal Account” shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

“Project Bonds” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“Project Costs” shall mean, together with any other proper item of cost not specifically mentioned herein but authorized pursuant to the IDA Act or the Yonkers Schools Act, the cost

of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified herein as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.

“**Project Fund**” shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

“**Project Fund Sufficiency Certificate**” shall have the meaning ascribed thereto in 5.5(d) of the Indenture.

“**Qualified Investments**” shall mean, to the extent permitted by applicable law, the following:

(a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“*United States Treasury Obligations*”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming, through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal

Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes

- Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
Debt obligations
- Resolution Funding Corporation (REFCORP)
Debt obligations

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(f) Reserved.

(g) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(h) "State Obligations," which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's *and* "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.

(i) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(1) the municipal obligations are (1) not subject to redemption prior to maturity, or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“*Verification*”);

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new *Verification*; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s [and acceptable to the Bond Insurer], provided that:

(1) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);

(2) The Trustee or a third party acting solely as agent therefor or for the Agency (the “*Holder of the Collateral*”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(3) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) All other requirements of S&P in respect of repurchase agreements shall be met.

(5) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the Trustee [(who shall give such direction if so directed by the Bond Insurer)], within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least “A” by S&P and Moody’s, respectively.

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by S&P and “Aa” by Moody’s; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days’ prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of

counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency [and the Bond Insurer]) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency, the Trustee [and the Bond Insurer];

(5) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "*Holder of the Collateral*") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Agency or the Trustee [(who shall give such direction if so directed by the Bond Insurer)], within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee [(who shall give such direction

if so directed by the Bond Insurer)], be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“*event of insolvency*”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(8) [Any other investment as may be approved in writing by the Bond Insurer whose Bond Insurance Policy or Policies insure the largest Outstanding principal amount of Bonds.]

“**Qualified Swap**” shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

“**Qualified Swap Provider**” shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

“**Rating Agency**” shall mean Fitch, S&P or Moody’s and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

“**Rating Category**” shall mean one of the generic rating categories of any of Fitch, Moody’s or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Rating Confirmation” shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

“Rebate Fund” shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

“Record Date” shall mean, with respect to the Series 2021A Bonds, the fifteenth (15th) day of the month immediately preceding an Interest Payment Date.

“Redemption Account” shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

“Redemption Price” shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture.

“Refunded Bonds” shall mean, with respect to a Series of Refunding Bonds, the Bonds refunded by such Refunding Bonds pursuant to Section 2.7 of this Indenture.

“Refunding Bonds” shall mean one or more series of Refunding Bonds issued, executed, authenticated and delivered under this Indenture.

“Related Security Documents” shall mean all Security Documents other than this Indenture.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

“Reserve Account Credit Facility” shall mean any letter of credit, surety bond or insurance policy meeting the criteria set forth in Section 5.5(a) of the Indenture.

“Reserve Account Credit Facility Provider” shall mean the issuer or other provider of any Reserve Account Credit Facility.

“Reserve Payment” shall have the meaning ascribed thereto in the Installment Sale Agreement.

“Reserved Rights” shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified “project” as defined in and as contemplated by the IDA Act and the Yonkers Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Article VII and Sections 2.3, 3.1, 3.2, 3.7, 3.9, 4.3, 4.5, 4.8, 5.2, 5.5, 8.1(b)-(f), 8.2, 8.3, 8.7, 9.1, 10.5, 10.6, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement; and

(g) the right of the Agency in its own behalf to enforce the Agency’s Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

“Responsible Officer” shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in this Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.

“S&P” shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

“Scheduled Debt Service Fund Earnings” shall have the meaning ascribed thereto in the State Aid Depository Agreement.

“School Party” or **“School Parties”** shall mean, collectively or severally, as applicable, the City, the YCSD and the JSCB.

“Securities Depository” shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

“Security Documents” shall mean, collectively, the Installment Sale Agreement, the Indenture, the Bond Insurance Policy and the Tax Compliance Documents.

“**Series**” shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to this Indenture.

[“**Series 2021A Bond Insurer**” shall mean _____, a _____ State stock insurance company, or any successor thereto or assignee thereof to the Bond Insurance Policy related to the Series 2021A Bonds.]

“**Series 2021A Bonds**” shall mean the Agency’s \$_____ School Facility Revenue Bonds (Yonkers City School District Project), Series 2021A, authorized, issued, executed, authenticated and delivered under this Indenture.

“**Series 2021 Project**” shall have the meaning ascribed to such term in the Installment Sale Agreement.

“**Special Record Date**” shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of this Indenture.

“**State**” shall mean the State of New York.

“**State Aid Depository Agreement**” shall mean the State Aid Depository Agreement, dated as of even date herewith, among the YCSD, the Depository Bank and the City, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

“**State Aid to Education**” shall have the meaning ascribed thereto in the State Aid Depository Agreement.

“**State Comptroller**” shall mean the State Comptroller of the State of New York.

“**Supplemental Indenture**” shall mean any indenture supplemental to or amendatory of this Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of this Indenture.

“**Tax Certificate**” shall mean, with respect to a Series of Bonds, the Tax Certificate of the Agency with respect to such Series of Bonds.

“**Tax Compliance Documents**” shall mean, with respect to a Series of Bonds, the Arbitrage and Use of Proceeds Certificate and Tax Certificate with respect to such Series of Bonds.

“**Trustee**” shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under this Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in this Indenture.

“**Trust Estate**” shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

“YCS D” shall mean the City School District of the City of Yonkers, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Yonkers, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof

Section 1.2. Construction. In this Indenture, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Indenture, refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of the execution and delivery of this Indenture.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

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

(d) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(e) Whenever the Agency is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Agency contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Agency, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

(f) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the Trustee, [the Bond Insurer,] the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the Trustee, [the Bond Insurer,] the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds.

ARTICLE II
AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1. Authorized Amount of Bonds; Pledge Effected by this Indenture.

(a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the installment purchase payments, receipts and revenues derived from or in connection with the Facilities, including moneys which are required to be set apart, transferred and pledged to the Bond Fund, [to the Debt Service Reserve Fund] or to certain special funds (including the investments, if any, thereof) (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal or Redemption Price, if any, and interest on, the Bonds. The Rebate Fund (including amounts on deposit therein) shall not be subject to any assignment, pledge, lien or security interest in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special obligations of the Agency and shall be payable by the Agency as to the principal or Redemption Price, if any, of the Bonds, and interest on the Bonds only from the Funds, special funds and installment purchase payments, revenues and receipts pledged therefor. The Bonds are additionally secured by a pledge and assignment of substantially all of the Agency's right, title and interest in and to the Installment Sale Agreement, including the Installment Purchase Payments payable thereunder. The Bonds shall never constitute a debt of the State nor the City, and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Agency other than those pledged therefor.

Section 2.2. Issuance and Terms of the Series 2021A Bonds.

(a) The Series 2021A Bonds in the aggregate principal amount of \$49,230,000 shall be issued under and secured by this Indenture. The Series 2021A Bonds shall be issuable in fully registered form without coupons and shall be dated as provided in Section 3.1 hereof.

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(b) The Series 2021A Bonds shall mature on the dates and in the aggregate principal amounts, and shall bear interest on the unpaid principal amount thereof at the respective rates per annum on the Interest Payment Dates, all as shown below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$.%	2033	\$.%
2023			2034		
2024			2035		
2025			2036		
2026			2037		
2027			2038		
2028			2039		
2029			2040		
2030			2041		
2031			2042		
2032			2043		

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2021A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) The Series 2021A Bonds shall be numbered from R-1 upward in consecutive numerical order. Series 2021A Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(d) The principal or Redemption Price of the Series 2021A Bonds shall be payable at the corporate trust office of the Trustee at Manufacturers and Traders Trust Company, Buffalo, New York, as Paying Agent, or at the corporate trust office of any successor Paying Agent.

(e) Interest on the Series 2021A Bonds shall be payable to the Person appearing on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date (1) by check or draft mailed on the Interest Payment Date to the registered owner or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2021A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request shall remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2021A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the “*Special Record Date*”) which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2021A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of

interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

(f) Each Series 2021A Bond shall bear interest from the Issuance Date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2021A Bonds, such Series 2021A Bond shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Series 2021A Bond shall bear interest from and including such Interest Payment Date.

(g) The Series 2021A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof

(h) Anything in the Series 2021A Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Agency hereunder and under the Series 2021A Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2021A Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2021A Bond would be contrary to the provisions of law applicable to such Holder which would limit the maximum rate of interest which may be charged or collected by such Holder of a Series 2021A Bond.

Section 2.3. Redemption of Series 2021A Bonds.

(a) *General Optional Redemption.* The Series 2021A Bonds maturing from May 1, 2022 to and including May 1, 20__ are not subject to optional redemption prior to the maturity thereof. The Series 2021A Bonds maturing on or after May 1, 20__ shall be subject to redemption, in whole or in part at any time on or after May 1, 20__ (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by an Authorized Representative of the City of its intention to prepay Base Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

(b) *Mandatory Redemption.* The Series 2021A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2021 Project, or (ii) moneys are transferred to the Bond Fund pursuant to Article V hereof or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2021A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) Redemption of Series 2021A Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.3 hereof in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.3(a) hereof at such times as are permitted under such Section and in such principal amounts as the City shall request in a written notice to the Trustee in accordance with the Installment Sale Agreement.

(2) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.3(b) hereof on the dates specified therein, without the necessity of any instructions or further act of the School Parties.

(d) In the event of any redemption in part of the Series 2021A Bonds, in selecting Series 2021A Bonds for redemption, the Trustee shall treat each such Series 2021A Bond as representing that number of Series 2021A Bonds which is obtained by dividing the principal amount of such registered Bond by \$5,000 (referred to below as a “unit”) rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2021A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2021A Bond shall forthwith surrender such Series 2021A Bond to the Trustee for (y) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (z) delivery to such Holder of a new Series 2021A Bond or Bonds in the aggregate unpaid principal amount of the unredeemed balance of the, principal amount of such Series 2021A Bond. New Series 2021A Bonds of the same maturity representing the unredeemed balance of the principal amount of such Series 2021A Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2021A Bond of a denomination greater than \$5,000 shall fail to present such Series 2021A Bond to the Trustee for payment and exchange as aforesaid, such Series 2021A Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Section 2.4. Delivery of Series 2021A Bonds. The Series 2021A Bonds shall be executed in the form and manner set forth in this Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Series 2021A Bonds including the interest, if any, accrued on the Series 2021A Bonds to the date of delivery, the Series 2021A Bonds shall be delivered by the Trustee on behalf of the Agency to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

(a) a copy, duly certified by the Chairman, Vice Chairman or Secretary of the Agency, of the Bond Resolution;

(b) an original executed counterpart of all Security Documents;

(c) a written opinion by Harris Beach PLLC to the effect that the issuance of the Series 2021A Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for delivery the Series 2021A Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Agency of the purchase price therein specified, plus accrued interest, if any.

Section 2.5. Execution of Bonds. The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chairman or Vice Chairman of the Agency, and the seal of the Agency shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary of the Agency. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Agency nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 2.6. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Bond in the recitals of this Indenture, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 2.7. Additional Bonds.

(a) So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing Facilities in connection with the Program, (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain, (iii) providing additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a "project" under the Yonkers Schools Act and the IDA Act, or (iv) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Base Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith (except in the case of Refunding Bonds (as defined herein), the City, the YCSD and the Agency shall enter into an license agreement or lease agreement to grant an interest in the Facilities to the Agency or an amendment to the License, as applicable, and the Agency and each of the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Base Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the Bonds, including such Series of Additional Bonds. In addition, each of the School Parties and the Agency shall enter into an amendment to the Tax Compliance Documents.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary of the Agency, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the Tax Certificate, the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture, the License and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License, as applicable, and sold under the Installment Sale Agreement, shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Bonds now being issued and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Arbitrage and Use of Proceeds Certificate and the Installment Sale Agreement continue in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) [an amount for deposit in the Debt Service Reserve Fund (or a Reserve Account Credit Facility) so as to make the amount on deposit in such Fund equal to the Debt Service Reserve Requirement after taking into account the issuance of such Additional Bonds;]

(6) to the extent applicable those documents required under the Installment Sale Agreement;

(7) an original, executed counterpart of the amendment, if any, to the Tax Compliance Documents; and

(8) a written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for pick-up the

Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

(c) (1) Upon the request of the JSCB, one or more Series of Additional Bonds may be authenticated and issued to refund (“*Refunding Bonds*”) all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.7 of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.2 hereof.

(2) Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.7(b) hereof, as may be applicable) of:

(A) Irrevocable instructions from the Agency to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.3 hereof to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Section 10.1 hereof, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in said Section 10.1.

(3) The City shall furnish to the Trustee and the Agency at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2021A Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) Notwithstanding anything herein to the contrary no Series of Additional Bonds shall be issued unless the State Aid Depository Agreement, the Tax Compliance Documents and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default. Each Series of Additional Bonds shall be designated by name and by Series and shall have separate funds and accounts.

Section 2.8. Limitation of Agency's Liability. Anything in this Indenture, the Bonds, the Installment Sale Agreement or any other Project Document to the contrary notwithstanding, any obligations of the Agency under this Indenture or the Bonds or under the Installment Sale Agreement or under any other Project Document or related document for the payment of money shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be a special obligation of the Agency secured and payable solely as provided in this Indenture.

Section 2.9. Book-Entry Bonds.

(a) Except as provided in subsection (c) below, the Holder of all of the Series 2021A Bonds shall be DTC (the "*Securities Depository*") and the Series 2021A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Series 2021A Bond registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Series 2021A Bonds at the address indicated for Cede & Co. in the registration books of the Agency kept by the Trustee. It is anticipated that during the term of the Series 2021A Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, Redemption Price of and interest on the Series 2021A Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in paragraph (c) below.

(b) The Series 2021A Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity of the Series 2021A Bonds. Upon initial issuance, the ownership of such Series 2021A Bonds shall be registered in the registration books of the Agency kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Agency shall treat DTC (or its nominee) as the sole and exclusive Holder of the Series 2021A Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Series 2021A Bonds, selecting the Series 2021A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2021A Bonds under this Indenture, registering the transfer of Series 2021A Bonds, obtaining any consent or other action to be taken by Holders of the Series 2021A Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the School Parties, nor the Agency shall be affected by any notice to the contrary. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Agency shall have any responsibility or obligation to any Participant, any Person claiming

a beneficial ownership interest in the Series 2021A Bonds under or through DTC or any Participant, or any other Person which is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2021A Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2021A Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of, redemption premium, if any, and interest on the Series 2021A Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Agency’s obligations with respect to the principal of, and redemption premium, if any, and interest on the Series 2021A Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Series 2021A Bond certificate evidencing the obligation of the Agency to make payments of principal of, and redemption premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Bonds, the word “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Agency determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2021A Bond certificates, the Agency may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Series 2021A Bond certificates. In such event, the Trustee shall issue, transfer and exchange Series 2021A Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Series 2021A Bonds at any time by giving written notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Agency and the Trustee shall be obligated to deliver Series 2021A Bond certificates as described in this Indenture. In the event Series 2021A Bond certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, redemption premium, if any, and interest on such certificates. Whenever DTC requests the Agency and the Trustee to do so, the Agency will direct the Trustee (at the sole cost and expense of the YCSD) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2021A Bonds to any DTC Participant having Series 2021A Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2021A Bonds.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2021A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and redemption premium, if any, and interest on such Series 2021A Bond and all notices with respect to such Series 2021A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Security Document by the Agency or the

Trustee with respect to any consent or other action to be taken by Bondholders, the Agency or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(f) NEITHER THE AGENCY, THE SCHOOL PARTIES NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021A BONDS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE SERIES 2021A BONDHOLDERS OR REGISTERED HOLDERS OF THE SERIES 2021A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021A BONDS.

(g) For so long as the Holder of all of the Series 2021A Bonds shall be DTC, and all Series 2021A Bonds shall be registered in the name of Cede & Co. as nominee for DTC, only DTC may tender Series 2021A Bonds upon redemption or retirement.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City, with the consent of the Agency, which shall not be unreasonably withheld, may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor. Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Series 2021A Bond or Bonds for cancellation shall cause the delivery of Series 2021A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

[Section 2.10. Duties with Respect to the Bond Insurance Policy relating to the Series 2021A Bonds. As long as the Bond Insurance Policy with respect to the Series 2021A Bonds shall be in force and effect, the Trustee agrees to comply with the following procedures, and the registered owners of the Series 2021A Bonds irrevocably designate, appoint, direct and authorize the Trustee to act as attorney-in-fact for such owners in connection with the following procedures with respect to such Bond Insurance Policy:

(a) Amounts paid by the Series 2021A Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and shall remain Outstanding and continue to be due and owing until paid in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Series 2021A Bond Insurer have been paid in full or duly provided for.

(b) Claims Upon the Bond Insurance Policy and Payments by and to the Series 2021A Bond Insurer: If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“*Payment Date*”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2021A Bonds due on such Payment Date, the Trustee shall give notice to the Series 2021A Bond Insurer and to its designated agent (if any) (the “*Bond Insurer’s Fiscal Agent*”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2021A Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Series 2021A Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2021A Bonds and the amount required to pay principal of the Series 2021A Bonds, confirmed in writing to the Series 2021A Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(c) In the event the claim to be made is for a mandatory Sinking Fund Installment redemption, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Holders of Series 2021A Bonds who surrender their Series 2021A Bonds a new Series 2021A Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2021A Bond surrendered. The Trustee shall designate any portion of payment of principal on Series 2021A Bonds paid by the Series 2021A Bond Insurer, whether by virtue of mandatory Sinking Fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2021A Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2021A Bond to the Series 2021A Bond Insurer, registered in the name of _____, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Series 2021A Bond shall have no effect on the amount of principal or interest payable by the Agency on any Series 2021A Bond or the subrogation rights of the Series 2021A Bond Insurer.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2021A Bond Insurer into the Bond Insurance Payments Account (Series 2021A) (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2021A Bond. The Series 2021A Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(e) Upon payment of a claim under the Bond Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of Holders of Series 2021A Bonds referred to herein as the “Bond Insurance Payments Account” (Series 2021A) and over

which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Holders of Series 2021A Bonds and shall deposit any such amount in the Bond Insurance Payments Account (Series 2021A) and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Holders of Series 2021A Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2021A Bonds under the sections hereof regarding payment of the Series 2021A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Indenture, and to the extent permitted by law, in the event amounts paid under the Bond Insurance Policy are applied to claims for payment of principal of or interest on the Series 2021A Bonds, interest on such principal of and interest on such Series 2021A Bonds shall, to the extent permitted by law, accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in The City of New York, as its prime or base lending rate plus three percent (3%) per annum, and (ii) the then applicable rate of interest on the Series 2021A Bonds provided that in no event shall such rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(f) Funds held in the Bond Insurance Payments Account (Series 2021A) shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Bond Insurance Payments Account (Series 2021A) following a Series 2021A Bond payment date shall promptly be remitted to the Series 2021A Bond Insurer.

(g) The Series 2021A Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2021A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. The obligations to the Series 2021A Bond Insurer shall survive discharge or termination of the Security Documents.

(h) The Series 2021A Bond Insurer shall be entitled to pay principal or interest on the Series 2021A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Bond Insurance Policy), whether or not the Series 2021A Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.]

ARTICLE III
GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.1. Date of Bonds. The Series 2021A Bonds shall be dated their original date of issuance (subject to the provisions set forth below with respect to transfers and exchanges). Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; *provided that* if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

Section 3.2. Form and Denominations. Bonds shall be issued in fully registered form, without coupons, in the minimum denomination of \$5,000 and any integral multiple thereof not exceeding the aggregate principal amount of Bonds of the same series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.3 hereof, the Bonds shall be in substantially the form set forth in the recitals to this Indenture, with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 3.3. Legends. Each Bond shall contain on the face thereof a statement to the effect that “THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF YONKERS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF YONKERS, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR.” The Bonds may in addition contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Agency prior to the delivery thereof.

Section 3.4. Medium of Payment. The principal or Redemption Price, if any, of, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.2 hereof.

Section 3.5. Bond Details. Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, and interest at such place or places as shall be specified in this Indenture. All Bonds of a Series maturing in any particular year shall bear interest at the same rate or rates per annum.

Section 3.6. Interchangeability, Transfer and Registry.

(a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Agency, which shall be kept for the purpose at the principal office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, upon presentation thereof together with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed. Upon the transfer of any Bond, the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

(b) Any Bond, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity of any other authorized denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(c) The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent shall deem and treat the Person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Agency, the School Parties, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Agency shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and unpaid principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Agency and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Agency) satisfactory to the Trustee and to the Agency and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Agency and the Trustee may incur. All Bonds so surrendered to the Trustee shall

be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Agency whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Agency may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 3.8. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

Section 3.9. Requirements With Respect to Transfers. In all cases in which the privilege of transferring Bonds is exercised, the Agency shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Agency or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

Section 3.10. Bond Registrar. The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the City and the YCSD for its inspection during normal business hours the registration books for the Bonds, as may be requested by the City and the YCSD in connection with any purchase or tender offer by one or both of them with respect to the Bonds.

ARTICLE IV
APPLICATION OF BOND PROCEEDS

Section 4.1. Application of Proceeds of Series 2021A Bonds. Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2021A Bonds, including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(a) \$_____ of the proceeds of the Series 2021A Bonds, representing capitalized interest, shall be deposited in the Interest Account of the Bond Fund;

(b) \$_____, representing the balance of the proceeds of the Series 2021A Bonds, plus the original issue premium of \$_____, minus [the bond insurance premium of \$_____,]the fee for the Reserve Account Credit Facility of \$_____] and the underwriters' discount of \$_____ shall be deposited in the Project Fund.

ARTICLE V
CUSTODY AND INVESTMENT OF FUNDS

Section 5.1. Creation of Funds and Accounts.

(a) The Agency hereby establishes and creates the following special trust Funds and Accounts comprising such Funds:

- (1) Project Fund
- (2) Bond Fund, consisting of the
 - (A) Principal Account
 - (B) Interest Account, and
 - (C) Redemption Account
- (3) [Debt Service Reserve Fund]
- (4) [Bond Insurance Payments Account (Series 2021A)]
- (5) Rebate Fund

(b) All of the Funds and Accounts created hereunder shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, shall be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of this Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien hereof (except moneys deposited in the Rebate Fund).

(c) The amounts deposited in the Funds and Accounts (except the Rebate Fund) created hereunder shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided herein.

Section 5.2. Project Fund.

(a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Sections 4.1 and 5.7 hereof or otherwise required to be deposited therein pursuant to the Installment Sale Agreement or this Indenture. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided herein. The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the School Parties or the Agency, of Project Costs.

(b) The Trustee is hereby authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a

requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB, [provided, however, that for so long as an Event of Default shall exist, no such requisition shall be honored without the prior written consent of the Series 2021A Bond Insurer]. Such requisition shall be as set forth in the Form of Requisition from the Project Fund attached and made a part of the Appendices hereto. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom including the date, dollar amount and description of each item for which a disbursement is made, and shall furnish copies of same to the Agency or the School Parties upon reasonable written request.

(c) The Trustee shall on written request furnish to the Agency and the School Parties within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(d) The completion of the Series 2021 Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB' in accordance with Section 3.1(j) of the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(e) In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(f) All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Documents and Section 5.11 hereof, shall be maintained within the Project Fund and made available for Project Costs.

(g) Upon the occurrence and during the continuance of an Event of Default, [and the receipt by the Trustee of written direction from the Bond Insurer,] the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund to be applied toward redemption of the Bonds.

(h) Proceeds of insurance, condemnation awards or conveyance of one or more of the Facilities in lieu of condemnation deposited in the Project Fund pursuant to Section 5.6 of the Installment Sale Agreement shall be disbursed in accordance with this Section 5.2 to pay costs of replacement, repair, rebuilding or relocation of the affected Facility pursuant to Section 5.6 of the Installment Sale Agreement or to payment of Project Costs as shall otherwise be approved by Nationally Recognized Bond Counsel and permitted under the Yonkers Schools Act or after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance

Documents and Section 5.11 hereof, transferred to the Bond Fund as provided herein if the applicable Series of Bonds are to be redeemed pursuant to Section 2.3(b) hereof.

Section 5.3. Payments into Bond Fund. On or before November 10 of each Fiscal Year, commencing November 10, 2021, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (as defined in Section 202(e) of the State Aid Depository Agreement) (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository Bank, the Collecting Officer and the Commissioner of Finance. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds of the Series 2021A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1(a) hereof. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Depository Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of principal on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) [Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(i) or Section 5.5(d) hereof for the payment of interest of the Bonds, which shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.]

(g) [Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(ii) hereof for the payment of principal on the Bonds, which shall be

placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.]

(h) [Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(iii) hereof for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.]

(i) The excess amounts referred to in the fourth sentence of Section 5.6(c) hereof, which shall be credited to the Interest Account of the Bond Fund.

(j) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(k) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the applicable Series of Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the related Series of Bonds..

(l) All other receipts when and if required by the State Aid Depository Agreement, by the Installment Sale Agreement, by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 hereof) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) hereof.

In the event that any Base Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

Section 5.4. State or School Aid Intercept. Pursuant to the Yonkers Schools Act, in the event the City or the YCSD shall fail (for any reason, including the failure of the State to appropriate moneys for such purpose or the failure of the YCSD and the City to budget and appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Agency hereby irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in the appendices attached hereto) by no later than the next Business Day following the

Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Yonkers Schools Act, withhold from the City and the YCSD any state and/or school aid payable to the City or the YCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such state and/or school aid so withheld. All such state and/or school aid so received shall be applied, *first*, [to deposit in the Debt Service Reserve Fund to the extent of any deficiency therein or to reimburse the Reserve Account Credit Facility Provider or any alternative credit facility in substitution therefor, for any amounts owing thereto,] *second*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fifth*, to satisfy any obligation of the YCSD under Section 4.3 of the Installment Sale Agreement, *sixth*, to satisfy any obligation of the JSCB or the YCSD under Section 5.5 of the Installment Sale Agreement, and *seventh*, to satisfy any other obligations of any of the School Parties under the Installment Sale Agreement.

The appointment by the Agency of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Agency may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee hereby accepts such agency and agrees so to act on behalf of the Agency. Notwithstanding anything to the contrary contained herein, any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the YCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Agency.

The Agency covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of under the Yonkers Schools Act of state and/or school aid payable to the City or YCSD than the pledge effected pursuant to this Indenture; provided, however, that nothing contained in this Indenture shall be deemed (y) to limit or deny the ability of the Agency or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under this Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under this Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

[Section 5.5. Debt Service Reserve Fund.]

(a) Unless a Reserve Account Credit Facility is delivered as provided hereinbelow, proceeds of the Series 2021A Bonds shall be deposited in the Debt Service Reserve Fund pursuant to Section 4.1(b) hereof. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Debt Service Reserve Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture or delivered for deposit therein a Reserve Account Credit Facility.

(b) There shall also be deposited in the Debt Service Reserve Fund moneys received (y) from the Depository Bank pursuant to Section 202(g)(ii) of the State Aid Depository Agreement, or (z) from the Trustee pursuant to Section 5.4 hereof or otherwise as provided in this Indenture.

(c) On the Business Day preceding each payment of Bond Service Charges to Holders of the Bonds, the Trustee shall transfer from the Debt Service Reserve Fund: (i) first, to the Interest Account of the Bond Fund, the amount by which the aggregate amount of interest to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Interest Account, (ii) second, to the Principal Account of the Bond Fund, the amount by which the aggregate amount of principal to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Principal Account, and (iii) third, to the Redemption Account of the Bond Fund for payment of sinking fund payments, the amount by which the aggregate Redemption Price to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Redemption Account. In the event that the Trustee shall be required to transfer amounts from the Debt Service Reserve Fund as provided in the preceding sentence (the "*Amount to Be Transferred*") and amounts on deposit in the Debt Service Reserve Fund shall be invested in more than one Qualified Debt Service Reserve Fund Investment Agreement, the Trustee shall draw from each Qualified Debt Service Reserve Fund Investment Agreement in that amount determined by multiplying the Amount to Be Transferred by a fraction the numerator of which is the amount on deposit in the particular Qualified Debt Service Reserve Fund Investment Agreement and the denominator of which is the aggregate of all amounts on deposit in all Qualified Debt Service Reserve Fund Investment Agreements (the "*Applicable Fraction*") but in no event shall the aggregate amount of such withdrawals be less than the Amount to Be Transferred. Upon the deposit of moneys in the Debt Service Reserve Fund in the event of a deficiency in such Fund, the amount to be deposited shall be allocated to each Qualified Debt Service Reserve Fund Investment Agreement in accordance with the Applicable Fraction. On or before November 10 of each Fiscal Year (as defined in the State Aid Depository Agreement), commencing November 10, 2021, the Trustee shall deliver a Reserve Payment Certificate (as defined in the State Aid Depository Agreement) (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository, Collecting Officer and the Commissioner of Finance in accordance with Section 202(f) of the State Aid Depository Agreement.

(d) All earnings on amounts held in the Debt Service Reserve Fund, shall, (x) as to a particular Account in the Project Fund, until such date as the Trustee shall receive a certificate from an Authorized Representative of the JSCB as described in the last sentence of Section 3.2(b) of the Installment Sale Agreement to the effect that the JSCB has determined that the amount on deposit in such Account is sufficient to pay all remaining Project Costs of the

Series 2021 Project intended to be funded from such Account from the proceeds of a Series of Bonds (the “*Project Fund Sufficiency Certificate*”), be transferred to such Account (subject, however, to the second paragraph of this Section 5.5(d)), or, if more than one Account of the Project Fund shall be funded at any point in time and no Project Fund Sufficiency Certificate shall have been delivered by the JSCB to the Trustee, be transferred to each such Account of the Project Fund (subject, however, to the second paragraph of this Section 5.5(d)), as shall be directed by the JSCB to the Trustee, (y) if a Project Fund Sufficiency Certificate shall have been delivered by the JSCB as to one or more funded Accounts of the Project Fund but *not as to all* funded Accounts of the Project Fund, be applied, as the JSCB shall direct the Trustee, to any one or more of (i) funding any Account of the Project Fund with respect to which no Project Fund Sufficiency Certificate shall yet have been delivered, (ii) satisfying any deficiency in the Debt Service Reserve Fund, (iii) making a deposit into the Interest Account of the Bond Fund, and/or (iv) making a deposit into the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof), and (z) if a Project Fund Sufficiency Certificate shall have been delivered by the JSCB as to all funded Accounts of the Project Fund, be first applied to making a deposit into the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, second, to satisfy any deficiency in the Debt Service Reserve Fund, and the excess, if any, then transferred to the Interest Account of the Bond Fund. On October 15, 2021, and on each October 15 thereafter until the Trustee shall receive the Project Fund Sufficiency Certificates as to all funded Accounts of the Project Fund, the Trustee shall deliver a written notice to the JSCB, the YCSD and the City (attached to which written notice shall be a copy of this Section 5.5 of the Indenture) that, unless the Trustee shall receive the Project Fund Sufficiency Certificate as to all funded Accounts of the Project Fund by the last Business Day of such October, the YCSD and the City shall not be entitled to receive the Scheduled Debt Service Reserve Fund Earnings (net of making a deposit into the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, and after satisfying any deficiency in the Debt Service Reserve Fund as required by Section 5.7(d) hereof) as a credit to its Base Installment Purchase Payment due on the next succeeding Base Installment Purchase Payment Date. The Trustee shall have no liability to the YCSD, the JSCB, the City, the Agency or any other party if it shall fail in good faith to deliver the written notice to the YCSD, JSCB, or the City, described in the immediately preceding sentence.

No less frequently than quarterly until the Trustee shall receive the Project Fund Sufficiency Certificates as to all funded Accounts of the Project Fund, and no less frequently than semi-annually thereafter, all earnings on amounts held in the Debt Service Reserve Fund will be subject to transfer to the Rebate Fund upon a computation by the City of the Rebate Requirement (as defined in the Tax Compliance Documents) and such amount so computed shall be directed by the City to the Trustee to be deposited in the Rebate Fund in accordance with the Tax Compliance Documents and Section 5.11 hereof. Any transfers of earnings on amounts held in the Debt Service Reserve Fund pursuant to this Indenture shall be subject to the limitation set forth in the immediately preceding sentence.

(e) (i) In lieu of or in substitution for moneys on deposit in or to be deposited in the Debt Service Reserve Fund pursuant to any provision of this Indenture, the City may, [after having obtained the consent of the Series 2021A Bond Insurer (unless a Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist or the Series 2021A Bond Insurer shall be the provider of the Reserve Account Credit Facility),] deposit or cause to be deposited with the Trustee a Reserve Account Credit Facility for the benefit of the

Holders of the Outstanding Bonds secured by a particular Account for all or any part of the applicable Debt Service Reserve Requirement, *provided, however, (1)* that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State and either (A) the claims paying ability of such insurance company or association is rated in the highest Rating Category accorded by a nationally recognized insurance rating agency, or (B) obligations insured by a surety bond or an insurance policy issued by such company or association are rated at the time such surety bond or insurance policy is delivered in the highest Rating Category by the Rating Agencies; (2) that any such letter of credit shall be issued by a Bank, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such Person, are rated at the time such letter of credit is delivered in at least the second highest Rating Category by the Rating Agencies; and (3) that the Trustee shall receive an Opinion of Counsel, in form and substance reasonably acceptable to Nationally Recognized Bond Counsel and counsel to the Agency, to the effect that the Reserve Account Credit Facility meets the requirements hereof.

(ii) In addition to the conditions and requirements set forth above, no Reserve Account Credit Facility shall be deposited in full or partial satisfaction of the Debt Service Reserve Requirement applicable to any Series of Bonds unless the Trustee and the Reserve Account Credit Facility Provider shall have received prior to such deposit (1) an Opinion of Counsel, in form and substance reasonably acceptable to Nationally Recognized Bond Counsel, respective counsel to the Agency, the Trustee [and the Series 2021A Bond Insurer] to the effect that such Reserve Account Credit Facility has been duly authorized, executed and delivered by the applicable Reserve Account Credit Facility Provider and is valid, binding and enforceable in accordance with its terms; (2) in the event such Reserve Account Credit Facility Provider is not a domestic entity, an opinion of foreign counsel in form and substance reasonably satisfactory to the Trustee [and the Series 2021A Bond Insurer]; (3) in the event such Reserve Account Credit Facility is a letter of credit, an Opinion of Counsel, in form and substance reasonably acceptable to Nationally Recognized Bond Counsel, respective counsel to the Agency, the Trustee [and the Series 2021A Bond Insurer] substantially to the effect that payments under such letter of credit will not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code in a case commenced by or against any of the School Parties thereunder; and (4) Rating Confirmation from each Rating Agency then rating any Series of Bonds Outstanding.

(iii) Notwithstanding the foregoing, if, at any time after a Reserve Account Credit Facility has been deposited with the Trustee, the unsecured or uncollateralized long term debt of the Reserve Account Credit Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of a Reserve Account Credit Facility Provider is reduced below the second highest Rating Category by any Rating Agency, the City shall, within ten (10) days after written notice of such reduction, replace or cause to be replaced said Reserve Account Credit Facility with another Reserve Account Credit Facility which satisfies the requirements of the two preceding paragraphs. If the City shall fail to replace or fail to cause to be replaced the Reserve Account Credit Facility on or prior to the tenth (10th) day following Notice of such reduction, the Trustee shall immediately draw on such Reserve Account Credit Facility in the amount of the applicable Debt Service Reserve Requirement.

(iv) Each such surety bond, insurance policy or letter of credit (a) shall have a term of not less than one (1) year, (b) shall be payable upon presentation or sight draft, (c)

shall be an irrevocable obligation of the provider thereof in favor of the Trustee and transferable to any successor Trustee, and (d) shall be payable (upon the giving of such notice as may be required thereby) (1) on any date on which moneys are required to be withdrawn from the applicable subaccount of the Debt Service Reserve Fund and such withdrawal cannot be made without obtaining payment under such Reserve Account Credit Facility, or (2) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility then in effect if no substitute Reserve Account Credit Facility meeting the requirements of this Indenture has been deposited with the Trustee.

(v) For the purposes of this Section, in computing the amount on deposit in any subaccount in the Debt Service Reserve Fund, a Reserve Account Credit Facility shall be valued at the amount available to be paid thereunder on the date of computation, *provided, however*, that, if the unsecured or uncollateralized long term debt of the applicable Reserve Account Credit Facility Provider, or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of said Reserve Account Credit Facility Provider, has been reduced below the ratings required by the first paragraph of this subsection (e), said Reserve Account Credit Facility shall be valued at the lesser of (1) the amount available to be paid thereunder on the date of calculation, and (2) the difference between the amount available to be paid thereunder on the date of issue thereof and an amount equal to a fraction of such available amount the numerator of such fraction is the aggregate number of May 1st's and November 1st's which has elapsed since such ratings were reduced and the denominator of which is ten.

(f) [Unless the provider of the Reserve Account Credit Facility is the Series 2021A Bond Insurer, the prior written consent of the Series 2021A Bond Insurer shall be a condition precedent to the deposit of any credit instrument in the Debt Service Reserve Fund in lieu of the deposit of moneys in such Fund.]

(g) Whenever the amount in the Debt Service Reserve Fund, together with the amounts on deposit in the Bond Fund, are sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal, Sinking Fund Installments, Redemption Price and interest), and the amount in the Rebate Fund is sufficient to pay all Rebate Requirements required under the Tax Compliance Documents, upon the written direction of the City to the Trustee, the Trustee shall transfer the funds on deposit in the Debt Service Reserve Fund to the Bond Fund from time to time to make the last such payments.]

Section 5.6. Application of Bond Fund.

(a) The Trustee shall (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds, and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

(c) Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than \$5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with Section 10.1 hereof) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.2 hereof. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

(d) Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

(e) In the event of the issuance of a Series of Refunding Bonds pursuant to Section 2.7 hereof, the Trustee shall, upon the written direction of the City, withdraw from the specified Accounts of the Bond Fund those amounts deposited in each such Account so specified held for the payment of the principal, Sinking Fund Installments, Redemption Price and interest on the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to Section 10.1 hereof, and (ii) the amount remaining in each Account of the Bond Fund after such withdrawal shall not be less than that amount otherwise then required to be on deposit in each such Account to pay the principal, Sinking Fund Installments, Redemption Price and interest of those Series of Bonds or principal portions thereof not being refunded.

Section 5.7. Investment of Funds and Accounts.

(a) Amounts in the Bond Fund, [the Debt Service Reserve Fund,] the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments; [provided, that, Qualified Investments in the Debt Service Reserve Fund shall not have a maturity date greater than ten (10) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the holder for the purposes required or permitted pursuant to the Indenture.] Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code. Such investments shall be made

by the Trustee only at the written request of an Authorized Representative of the City. Any investment hereunder shall be made in accordance with the Tax Compliance Documents, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall (y) in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable[, and (z) in the case of the Debt Service Reserve Fund, be credited and losses charged to such Fund, subject, however, to Section 5.5(d) hereof].

(b) Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Base Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such installment purchase payment and the amount then available in the Project Fund and in each Account of the Bond Fund. Further, on or before each November 10 (but not before November 1) [(y) the Trustee shall notify the City of the amount of net investment income or gain received and collected from each Qualified Debt Service Reserve Fund Investment Agreement (on a several basis) since the immediately preceding such notification (if such prior notification shall have been made), net of any deposit required to be made into the Rebate Fund pursuant to Section 5.11 hereof and the Tax Compliance Documents,] [and (z) following the receipt by the Trustee of the Project Fund Sufficiency Certificate as to all funded Accounts of the Project Fund, the Trustee shall deliver a written notice to the City setting forth the amount of the Scheduled Debt Service Reserve Fund Earnings (on a several basis as to each Qualified Debt Service Reserve Fund Investment Agreement) which may be utilized (net of satisfying any deficiency in the Debt Service Reserve Fund as required by Section 5.7(d) hereof and of any amount required to be deposited in the Rebate Fund pursuant to Section 5.11 hereof and the Tax Compliance Documents) as a credit on the next succeeding Base Installment Purchase Payment Date.]

(c) Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with this Section 5.7(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

(d) [In the case of the Debt Service Reserve Fund, a “surplus” means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement. On the last Business Day of October of each year commencing October, 2021 and upon any withdrawal from the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in the Debt Service Reserve Fund. If on any such date a deficiency exists, (w) the Trustee shall notify the City and the YCSD of such deficiency and that such deficiency must be replenished by the City and/or the YCSD as required by Section 4.1(b) of the Installment Sale Agreement and (x) the amount of the Scheduled Debt Service Reserve Fund Earnings to which the City and the YCSD shall be entitled to apply as a credit to the next Base Installment Purchase

Payment as provided in Section 5.5(d) hereof shall be reduced by any amount required to be deposited into the Rebate Fund pursuant to Section 5.11 hereof and the Tax Compliance Documents and by the amount of any such deficiency in the Debt Service Reserve Fund for so long as such deficiency shall exist. If a surplus exists, the Trustee shall notify the JSCB, the YCSD and the City thereof and, subject to the requirements of Section 5.11 hereof and the Tax Compliance Documents, shall promptly transfer an amount equal to such surplus (y) if prior to the receipt by the Trustee of the Project Fund Sufficiency Certificate (as defined in Section 5.5(d) hereof as to all funded Accounts of the Project Fund), to that Account of the Project Fund designated by the JSCB and (z) if after such receipt, shall transfer such amount to the Interest Account of the Bond Fund.]

(e) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of “fair market value” shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(f) Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by this Section 5.7 shall at all times be subject to the provisions of applicable law, as amended from time to time.

(g) [In the event of the issuance of a Series of Refunding Bonds pursuant to Section 2.7 hereof, the Trustee shall, upon the written direction of the City, withdraw from the Debt Service Reserve Fund that amount so set forth in such written direction to be held by the escrow agent with respect to the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to Section 10.1 hereof, and (ii) the amount remaining in the Debt Service Reserve Fund after such withdrawal shall not be less than the Debt Service Reserve Requirement (as

recalculated taking into account the effect of such refunding and such Series of Refunding Bonds).]

Section 5.8. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien hereof. Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund [or the Debt Service Reserve Fund] in accordance with the State Aid Depository Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien hereof

Section 5.9. Repayment to the City for Benefit of YCSD from the Funds. After payment in full of the Bonds (in accordance with Section 10.1 hereof) and the payment of all fees, charges and expenses of the Agency, the Trustee, [the Bond Insurer,] the Bond Registrar and the Paying Agents and all other amounts required to be paid hereunder and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to this Indenture and the Tax Compliance Documents, all amounts remaining in the Project Fund, the Bond Fund [and the Debt Service Reserve Fund] shall be paid to the City for the benefit of the YCSD upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

Section 5.10. Non-presentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Agency to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or the applicable statutory escheat period shall be paid to the City for the benefit of the YCSD. After the payment of such unclaimed moneys to the City, the Holder of such Bond shall thereafter look only to the City for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

Section 5.11. Payments into Rebate Fund; Application of Rebate Fund.

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

(b) The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Documents, shall deposit in the Rebate Fund that amount from the Project Fund [or the Debt Service Reserve

Fund], to the extent available, as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Documents. In the case of the Project Fund, the City shall so direct the Trustee no less frequently than quarterly,[and in the case of the Debt Service Reserve Fund, the City shall so direct the Trustee no less frequently than quarterly until the Trustee shall receive the Project Fund Sufficiency Certificates as to all funded Accounts of the Project Fund and no less frequently than semi-annually thereafter].

(c) In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined in accordance with the Tax Compliance Documents, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it (i) to any Account of the Project Fund with respect to which no Project Fund Sufficiency Certificate shall yet have been delivered, [(ii) to the Debt Service Reserve Fund to the extent of any deficiency therein,] or (iii) to the Interest Account of the Bond Fund, as the City shall determine.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Requirement with respect to such Series of Bonds as of the date of such payment and (ii) notwithstanding the provisions of Section 10.1 hereof, not later than thirty (30) days after the date on which all Bonds have been paid in full, one hundred percent (100%) of the Rebate Requirement as of the date of payment.

(e) The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

ARTICLE VI
REDEMPTION OF BONDS

Section 6.1. Privilege of Redemption and Redemption Price. Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in Section 2.3 of this Indenture and in said Bonds.

Section 6.2. Selection of Bonds to be Redeemed. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of a Series of Bonds in accordance with Section 2.3(b) hereof, the Authorized Representative of the City shall select the Bonds to be redeemed only (x) in inverse order of maturity, (y) proportionately to each Outstanding maturity of such Series of Bonds, [or (z) in such other order as the related Bond Insurer shall consent in writing]. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Section 6.3. Notice of Redemption. When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Agency, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest

thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Agency, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to at least two (2) of the national information services that disseminate redemption notices. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion.

If notice of redemption shall have been given as aforesaid, the Bonds of such Series called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds of a Series, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds of such Series to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem the Bonds of such Series. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Bonds of such Series so called for redemption at the place or places of payment, such Series of Bonds shall be redeemed.

Section 6.4. Payment of Redeemed Bonds.

(a) Notice having been given in the manner provided in Section 6.3 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under this Indenture, and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in Section 6.5 hereof; provided, however, that

any Holder of at least \$1,000,000 in aggregate principal amount of Bonds may, by written request to the Trustee, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable in federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

Section 6.5. Cancellation of Redeemed Bonds.

(a) All Bonds redeemed in full under the provisions of this Article, or purchased in lieu of mandatory redemption, shall forthwith be cancelled and destroyed and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.2 hereof, the Agency shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

Section 6.6 No Partial Redemption After Default. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption pursuant to Section 2.3(b) hereof unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of proceeds described in Section 2.3(b) hereof shall not have an adverse effect on the tax-exempt status of interest on the Bonds.

ARTICLE VII
PARTICULAR COVENANTS

Section 7.1. Agency's Obligations Not to Create a Pecuniary Liability. Each and every covenant herein made, including all covenants made in the various sections of this Article VII, is predicated upon the condition that any obligation for the payment of money incurred by the Agency shall not create a debt of the State nor the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor but shall be payable by the Agency solely from the Installment Purchase Payments pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Installment Sale Agreement, in this Indenture or in any other Project Document shall be considered as pledging any other funds or assets of the Agency.

Section 7.2. Payment of Principal and Interest. The Agency covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon or hereunder against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor. The Agency shall not be required under this Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

Section 7.3. Performance of Covenants; Authority. The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Agency covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act and the Yonkers Schools Act, to issue the Bonds authorized hereby and to execute this Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Agency according to the import thereof.

Section 7.4. Books and Records; Certificate as to Defaults. The Agency and the Trustee each covenants and agrees that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Series 2021 Project and the Facilities, and that the School Parties and the Holders of any of the Bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Installment Sale Agreement is in full force and effect, records furnished by the Agency, and the School Parties to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Agency's obligations under this Section 7.4. Within thirty (30) days after receiving the certificate from School Parties as provided in Section 7.16(a) of the Installment Sale Agreement, the Trustee shall render to the Agency and the City a statement that moneys received by the Trustee pursuant to the Installment Sale Agreement were applied by it to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture or the Installment Sale Agreement or any other Security Document or specifying the particulars of such known defaults which may exist.

Section 7.5. The Installment Sale Agreement. It is understood and agreed that the Agency's interest in the Facilities has been sold to the City under the License and the YCSD under the Installment Sale Agreement. An executed copy of the Installment Sale Agreement will be on file in the office of the Agency and in the principal corporate trust office of the Trustee. Reference is hereby made to the Installment Sale Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the School Parties under the Installment Sale Agreement shall be enforceable either by the Agency or by the Trustee, to whom, in its own name or in the name of the Agency, is hereby granted the right, to the extent provided therefor in this Section 7.5 and subject to the provisions of Section 9.2 hereof, to enforce all rights of the Agency and all obligations of the School Parties under the Installment Sale Agreement, whether or not the Agency is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Installment Sale Agreement upon compliance or noncompliance by the School Parties and the Agency to the same.

Section 7.6. Creation of Liens; Indebtedness; Sale of Facilities. Except to the extent contemplated in the last paragraph of Section 5.4 hereof with respect to the issuance of Project Bonds under a Series Indenture other than this Indenture, the Agency shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by this Indenture, the Pledge and Assignment, and the Installment Sale Agreement. The Agency further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under this Indenture and the Installment Sale Agreement, so long as any of the Bonds are Outstanding. The Agency shall have no pecuniary liability for its covenants set forth in this Indenture, including under this Section 7.6.

Section 7.7. Instruments of Further Assurance. The Agency covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and

confirming unto the Trustee all and singular the property described herein, subject to the liens, pledge and security interests of this Indenture and the Installment Purchase Payments pledged hereby to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien, pledge and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Agency or the Trustee, become and be subject to the liens, pledge and security interests of this Indenture as fully and completely as though specifically described herein and therein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Agency heretofore made by this Section 7.7.

Section 7.8. Recording and Filing. The Pledge and Assignment shall be recorded and filed by the Agency in the appropriate office of the Clerk of Westchester County, New York or in such other office as may be at the time provided by law as the proper place for the recordation thereof. The security interest of the Trustee created by this Indenture in the property, rights and interests herein and therein described, shall be perfected by the filing by the Agency in the office of the Secretary of State of the State in the City of Albany, New York, and in the office of such Clerk, of financing statements which fully comply with the New York State Uniform Commercial Code-Secured Transactions. This Indenture and the Pledge and Assignment shall be re-recorded, re-filed and re-indexed at the written direction of the City whenever in the Opinion of Counsel such action is necessary to preserve the lien and security interest hereof; and in addition, such financing or continuation statements as in the Opinion of Counsel become necessary to preserve the lien and security interest of this Indenture shall be filed by the Trustee at the written direction of the City in said office of the Secretary of State and in the office of such Clerk. Any such re-recordings, re-indexings, filings or re-filings shall be prepared by the City and accompanied with any fees or requisite charges.

The Agency and the Trustee mutually covenant and agree to take such action (including, as applicable, the filing of all New York State Uniform Commercial Code-Secured Transactions financing statements and continuation statements thereof) in accordance with the aforesaid direction of the City as shall be necessary from time to time to preserve the priority of the pledge by the Indenture of the Trust Estate under applicable law. Any action taken by the Agency under this Section 7.8 shall be taken only upon the request of the Trustee and at no cost to the Agency.

All costs (including reasonable attorneys' fees) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the City and/or the YCSD.

Section 7.9. Records Held by the Trustee. Upon reasonable written request, the Trustee shall make available to the School Parties for its inspection during normal business hours, its records with respect to the Series 2021 Project and the Facilities.

Section 7.10. Agency Tax Covenant. The Agency covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Agency and the only remedy to which the Agency shall be subject shall be specific performance.

Section 7.11. Annual Report of Trustee. Within thirty (30) days after the end of each calendar year, the Trustee shall deliver to the Agency a statement of the payment status of the Bonds effective as of February 28 of the calendar year just ended, which statement shall include the then current principal balance of the Bonds, the interest rate accruing thereon, an amortization schedule for the repayment of the balance of the Bonds and such other information as the Agency may reasonably require.

[Section 7.12. Rights of the Series 2021A Bond Insurer. The Agency and the Trustee hereby agree for the benefit of the Series 2021A Bond Insurer, that:

(a) to the extent the Series 2021A Bond Insurer makes payments under the Bond Insurance Policy on account of the principal or Redemption Price of, Sinking Fund Installments for, or interest on Series 2021A Bonds, the Series 2021A Bond Insurer will be subrogated to the rights of the Holders of the Series 2021A Bonds to receive the amount so paid, solely from the sources provided therefor in the Indenture,

(b) a notice that is required by the Indenture or any other of the Security Documents to be given to the Holders of the Series 2021A Bonds, shall also be given to the Series 2021A Bond Insurer,

(c) any provision of the Indenture or any other Security Document expressly recognizing or granting rights in or to the Series 2021A Bond Insurer may not be amended in any manner which affects the rights or remedies of the Series 2021A Bond Insurer hereunder or thereunder without the prior written consent of the Series 2021A Bond Insurer,

(d) if the consent, approval or direction of the Holders of the Series 2021A Bonds shall be required in connection with any action to be taken under the Indenture or under any other Security Document, then, for so long as no Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist, the Series 2021A Bond Insurer shall be entitled to deliver such consent, approval or direction on behalf of the Holders of the Series 2021A Bonds (except in connection with those matters referred to in Section 8.11 (with respect to waivers of any default in payment), Section 11.3(a)(i), (ii), (iii), (iv) or (v) hereof, or in Section 12.2(i) or (ii) hereof, with respect to which the consent of one hundred percent (100%) of the Holders of the Series 2021A Bonds, together with the consent of the Series 2021A Bond Insurer, shall be required), *provided, however,* that if a Bond Insurer Disqualification Event which respect to the Series 2021A Bond Insurer shall exist, the Series 2021A Bond Insurer shall nevertheless be able to exercise the rights of the Series 2021A Bonds which it owns (whether by subrogation or otherwise),

(e) if the consent, approval or direction of the Series 2021A Bond Insurer shall be required on its own behalf (as distinguished from a consent, approval or direction on behalf of the Holders of the Series 2021A Bonds) in connection with any action to be taken under the Indenture or under any other Security Document, the consent, approval or direction of the Series 2021A Bond Insurer shall not be required for so long as a Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist,

(f) to the extent that the principal or Redemption Price of, Sinking Fund Installments for, or interest on the Series 2021A Bonds shall be paid by the Series 2021A Bond Insurer pursuant to the Series 2021A Bond Insurance Policy, that portion of the Series 2021A Bonds so paid shall remain Outstanding for all purposes and not be considered defeased or otherwise satisfied and paid, and the Series 2021A Bond Insurer shall be deemed to be the Holder of the Series 2021A Bonds to the extent so paid,

(g) if the Bond Insurance Policy shall no longer be in effect, and all amounts owed to the Series 2021A Bond Insurer shall have been paid in full, all approvals, directions or consents of the Series 2021A Bond Insurer required under the Security Documents shall instead be delivered by the Holders of a majority in aggregate principal amount of the Series 2021A Bonds Outstanding,

(h) for so long as no Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist, the Series 2021A Bond Insurer shall be deemed to be the sole Holder of the Series 2021A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or talking any other action that the Holders of the Series 2021A Bonds are entitled to take pursuant to this Indenture and the Related Security Documents pertaining to defaults and remedies or otherwise under Articles IX, XI and XII of the Indenture (subject in all events to the provisions of paragraph (iv) above),

(i) the rights granted to the Series 2021A Bond Insurer under the Indenture or any Related Security Document to request, consent to or direct any action are rights granted to the Series 2021A Bond Insurer in consideration of its issuance of the Series 2021A Bond Insurance Policy; any exercise by the Series 2021A Bond Insurer of such rights is merely an exercise of the Series 2021A Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Holders of the Series 2021A Bonds nor does such action evidence any position of the Series 2021A Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Series 2021A Bond Insurer,

(j) amounts paid by the Series 2021A Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and shall remain Outstanding and continue to be due and owing until paid by the Agency in accordance with the Indenture, and

(k) no contract shall be entered into nor any action taken by which the rights of the Series 2021A Bond Insurer or security for or sources of payment of the Series 2021A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Series 2021A Bond Insurer.]

[Section 7.13. Actions by the Trustee. In the event a Bond Insurer Disqualification Event shall exist, the Trustee shall proceed to protect and enforce its rights and the rights of the Holders of the related Series of Bonds under the applicable Bond Insurance Policy by such suits, actions or special proceedings in equity or at law, as the Trustee shall deem necessary and appropriate (subject, however, to the provisions of Section 9.2 hereof).]

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

Section 8.1. Events of Default; No Acceleration of Due Date.

(a) Each of the following events is hereby defined as and shall constitute an “Event of Default”:

(1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Agency to observe or perform any covenant, condition or agreement in the Bonds or hereunder on its part to be performed (except as set forth in Section 8.1(a)(1) or (2) hereof) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Agency and the School Parties of written notice specifying the nature of such default from the Trustee, [the Bond Insurer] or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Agency or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; provided, however, that [unless the Bond Insurer shall consent in writing to a longer period,] it shall constitute an Event of Default under this paragraph (3) if such failure shall not be remedied within sixty (60) days after receipt by the Agency and the School Parties of the above written notice; and

(4) The occurrence of an “Event of Default” under Section 8.1(c) of the Installment Sale Agreement.

(b) In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) In determining whether any event constitutes an Event of Default under clauses (1) or (2) of Section 8.1(a) above, no effect shall be given to payments made under the Bond Insurance Policy.

Section 8.2. Enforcement of Remedies.

(a) Subject to Section 8.1(b) hereof, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed [(with the prior written consent of the Bond Insurer),] and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding [(with the prior written consent of the Bond Insurer) or the written direction of the Bond Insurer], shall proceed, to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Yonkers Schools Act, the Bonds, the Installment Sale Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or in the IDA Act or the Yonkers Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

(b) In the enforcement of any right or remedy under this Indenture, under any other Security Document, under the IDA Act or under the Yonkers Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Agency, for principal, interest, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Agency, but solely as provided in this Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Agency or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by [the Bond Insurer or] the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding [(with the consent of the Bond Insurer)], and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests

and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Section 8.3. Application of Revenues and Other Moneys After Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.4 hereof, 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 and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments 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 privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this Section 8.3(a), *second*, [to replenish any deficiency in the Debt Service Reserve Fund], *third*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Documents, *fourth*, to satisfy any obligation of the YCSD under Section 4.3 of the Installment Sale Agreement, *fifth*, to satisfy any obligation of the JSCB and the YCSD under Section 5.5 of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing contained in this Section 8.3 shall be deemed to modify the application of state and/or school aid payable to the City or the YCSD pursuant to Section 5.4 hereof.

(b) 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 upon which such application is to be made

and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.4. Actions by Trustee. All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.3 hereof, be for the equal benefit of the Holders of the Outstanding Bonds.

Section 8.5. [Bond Insurer or Majority Bondholders Control Proceedings. The Bond Insurer whose Bond Insurance Policy or Policies insure the largest Outstanding principal amount of Bonds, or, if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.]

Section 8.6. Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of this Indenture or of any other Security Document or the execution of any trust under this Indenture or for any remedy under this Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in this Article, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or in such other Security Document or by the IDA Act or the Yonkers Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and, subject to the provisions of Sections 8.3 and 8.5 hereof, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

(b) Nothing in this Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Agency to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

Section 8.7. Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default 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 Agency, [the Bond Insurer,] the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 8.8. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

Section 8.9. Delay or Omission. No delay or omission of the Trustee[, of the Bond Insurer] or of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any 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 to the Trustee[, the Bond Insurer] and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee[, by the Bond Insurer] or by the Bondholders.

Section 8.10. Notice of Default. The Trustee shall promptly mail to the Agency, to registered Holders of Bonds[, to the Bond Insurer,] and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

Section 8.11. Waivers of Default. The Trustee shall waive any default hereunder and its consequences only upon the written request of t[he Bond Insurer whose Bond Insurance Policy or Policies insure the largest Outstanding principal amount of Bonds, or, if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist,] the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Agency, [the Bond Insurer,] the Trustee

and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

ARTICLE IX
TRUSTEE AND PAYING AGENTS

Section 9.1. Appointment and Acceptance of Duties.

(a) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Installment Sale Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Installment Sale Agreement and each such other Security Document.

(b) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Paying Agent for the Bonds. The Agency may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.9 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Agency, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Agency for the payment of the principal or Redemption Price, if any, of, and interest on the Bonds.

Section 9.2. Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial action under this Indenture or under any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or negligence.

Section 9.3. Responsibilities of Trustee.

(a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Agency, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of any interest in or the value of the Facilities, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of this Indenture or any other document or instrument whatsoever except as otherwise provided in Section 7.8 hereof. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Agency and not by the Trustee, and the Trustee does not assume any responsibility for the correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds.

(b) The Trustee shall not be liable or responsible because of the failure of the Agency to perform any act required of it by this Indenture or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depository other than itself in which such moneys shall have been deposited under this Indenture or the Tax Compliance Documents. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Compliance Documents or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Installment Sale Agreement, under this Indenture or the Tax Compliance Documents or under any other Security Document except for its own willful misconduct or negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Installment Sale Agreement or any other Security Document, (ii) an officer in the corporate trust department of the Trustee has actual knowledge thereof, or (iii) a Responsible Officer of the Trustee has received written notice thereof from the City and/or the YCSD, [the Bond Insurer,] the Agency or any Bondholder.

(d) The Trustee shall execute all instruments required by it by Section 7.8 hereof at the expense of the YCSD.

(e) The Trustee shall prepare and deliver to the Depository Bank each certificate required of the Trustee pursuant to Sections 202(e) and 202(f) of the State Aid Depository Agreement. The Trustee shall otherwise comply with and perform the requirements imposed on the Trustee under the State Aid Depository Agreement.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.4 of this Indenture, make annual reports to the Agency, [the Bond Insurer] and the School Parties of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Installment Sale Agreement or this Indenture or under any other Security Document.

(g) In performing its duties and obligations under the Tax Compliance Documents, the Trustee shall not be required to make any payment of a Rebate Requirement or any transfer of funds or take any other action required to be taken thereunder except upon the receipt of a written certificate of direction of an Authorized Representative of the City delivered to the Trustee in accordance with the terms of the Tax Compliance Documents. Notwithstanding any provision of the Tax Compliance Documents or any other Security Document, nothing in the Tax Compliance Documents, either expressed or implied, shall be deemed to impose upon the

Trustee any responsibility for the legal sufficiency of the Tax Compliance Documents to effect compliance with the Code.

Section 9.4. Compensation. The Trustee, the Bond Registrar and the Paying Agents shall be entitled to receive and collect from the City and/or the YCSD as provided in the Installment Sale Agreement payment or reimbursement for reasonable fees for all services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or the Paying Agents in connection therewith. Upon and following an Event of Default, but only while there remains an Event of Default that has not been cured or waived, the Trustee, the Bond Registrar and the Paying Agents shall have a first right of payment prior to payment on account of the principal of or interest on any Bonds, upon the revenues (but not including any amounts derived from the Bond Insurance Policy or held by the Trustee under Sections 5.4, 10.1 or 13.2 hereof) for the foregoing advances, fees, costs and expenses incurred.

Section 9.5. Evidence on Which Trustee May Act.

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture (except for the Trustee's own willful misconduct, unlawful conduct or negligence), upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the City and/or the YCSD, and upon the written opinion of any attorney (who may be an attorney for the Agency or an employee of the City and/or the YCSD), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

Section 9.6. Trustee and Paying Agents May Deal in Bonds. Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

Section 9.7. Resignation or Removal of Trustee. The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Agency, [to the Bond Insurer,] to the School Parties and to the Holders of all Bonds not less than sixty (60) days before such resignation is to

take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Agency, [the Bond Insurer] and the School Parties. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

Section 9.8. Successor Trustee.

(a) If at any time the Trustee shall resign or shall be removed effective prior to the appointment and acceptance of a successor Trustee, be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the School Parties shall cooperate with the Agency and the Agency shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Agency shall notify in writing the School Parties[, the Bond Insurer] and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Agency, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.8, within 120 days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Agency or any retiring Trustee or the School Parties may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall (y) have a capital stock and surplus aggregating not less than \$100,000,000, and (z) have an investment grade rating (y) if the Bonds are rated by Moody's, of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be

otherwise acceptable to S&P. Any entity acting as successor Trustee shall also act as Depository Bank under the State Aid Depository Agreement.

(d) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Agency, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Agency, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Agency. Any successor Trustee shall promptly notify other Notice Parties of its appointment as Trustee.

(e) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

Section 9.9. Resignation or Removal of Paying Agent; Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' prior written notice to the other Notice Parties. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Agency. Any successor Paying Agent shall be appointed by the Agency, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least \$40,000,000, having an investment grade rating (y) if the Bonds are rated by Moody's of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be otherwise acceptable to S&P, and willing and able to accept the office on reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(b) 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 9.10. Appointment of Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any such documents on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee at the expense of the City and the YCSD. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Agency be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 9.11. Approvals or Consents by Trustee. The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of [the Bond Insurer of the Series of Bonds affected thereby, or, if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist,] the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding.

Section 9.12. Notice to Rating Agencies. The Trustee shall provide the rating agencies, if the Bonds should be rated, with written notice, if possible, in advance or, if impossible, promptly following, the effective date of (i) the appointment of any successor Trustee, (ii) any amendments to the Security Documents, or (iii) the redemption in whole or other payment in full of the Bonds. The Trustee agrees to inform the rating agencies of the above as a matter of courtesy and accommodation. However, the Trustee shall have no liability or obligation to the rating agencies or to any other Person in the event that it should fail to furnish any such information.

[Section 9.13. Notice to Bond Insurer. The Trustee shall provide to each Bond Insurer:

(a) [Notice of any draw upon the Debt Service Reserve Fund within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement, and (ii) withdrawals in connection with a refunding of Bonds;]

(b) Notice of any default known to the Trustee within five (5) Business Days after knowledge thereof;

(c) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(d) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(e) Notice of the commencement of any proceeding by or against the Agency or any School Party commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “*Insolvency Proceeding*”);

(f) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(g) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Security Documents; and

(h) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Security Documents.]

[Section 9.14. Trustee to Disregard Bond Insurance Policy. In determining whether any amendment, consent or other action to be taken, or any failure to take action, under the Indenture or any other Security Document would adversely affect the security for a Series of Bonds or the rights of the Holders of affected Series of Bonds, the Trustee shall consider the effect of any such amendment, consent, action or inaction as if there were no Bond Insurance Policy with respect to such Series of Bonds.]

ARTICLE X
DISCHARGE OF INDENTURE

Section 10.1. Defeasance.

(a) If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Installment Sale Agreement, [all amounts due or to become due to the Bond Insurer, and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Documents or this Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Agency to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the YCSD or on its order all moneys or securities held by them pursuant to this Indenture which are not required (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Security Documents or (iii) for the payment of any amounts to the federal government under the Tax Compliance Documents or this Indenture.

(b) Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice, and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

(c) Prior to any defeasance becoming effective as provided in Section 10.1(b) above, there shall have been delivered to the Agency and to the Trustee (A) an opinion of

Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Agency and the Trustee [and, in the case of the Series 2021A Bonds, to the Bond Insurer,] to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer “Outstanding” under the Indenture, (B) a verification report from an independent certified public accountant or firm of independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Agency and to the Trustee [and, in the case of the Series 2021A Bonds, to the Bond Insurer]) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable, (C) an escrow deposit agreement (reasonably acceptable to the Agency and the Trustee [and, in the case of the Series 2021A Bonds, to the Bond Insurer]), and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased. [In the case of a defeasance in whole or in part of the Series 2021A Bonds, the Bond Insurer shall be provided with final drafts of the documentation referred to in this paragraph at least five (5) Business Days prior to the funding of the escrow].

No provision of this Section 10.1, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Sections 3.6, 3.7, 3.9 or 5.4 hereof until such Bonds shall have been paid in full.

ARTICLE XI
AMENDMENTS OF INDENTURE

Section 11.1. Limitation on Modifications. This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

Section 11.2. Supplemental Indentures Without Bondholders' Consent.

(a) The Agency and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders[, but with the prior written consent of the Bond Insurer of each Series of Bonds affected by such Supplemental Indenture], for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in this Indenture or in any description of property subject to the lien hereof, if such action is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(3) To add to the covenants and agreements of the Agency in this Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(4) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of this Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.

(7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with this Indenture.

(8) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.

(10) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(11) To permit the appointment of a co-trustee under this Indenture.

(b) Before the Agency and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Notice of the proposed Supplemental Indenture shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

[Section 11.3. Supplemental Indentures With Consent of Bondholders and Bond Insurer.

(a) Subject to the terms and provisions contained in this Article, each Bond Insurer (for so long as no Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist) and the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Agency and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of, (y) the Bond Insurer of the affected Series, or, if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist, the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding, shall be required. Nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by this Indenture, except as provided in this Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this Section 11.3(a), without, in the case of items (ii) through and including (v) of this Section 11.3(a), the written consents of each Bond Insurer (for so long as no Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist) and of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Agency shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's, the Bond Insurer and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by the Bond Insurer and all Bondholders.

(c) Within one year after the date of such notice, the Agency and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of each Bond Insurer (for so long as no Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist) and the Holders of not less than a majority or 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, then only the written consent of (y) the Bond Insurer of the affected Series of Bonds if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall not exist, or (z) if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist, the written consents of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding) and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with this Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

(d) If the related Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and the Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or 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 Agency from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Agency, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.]

Section 11.4. Supplemental Indenture Part of this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Sections 11.2 or 11.3 hereof.

Section 11.5. Rights of School Parties. Anything herein to the contrary notwithstanding, any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

[**Section 11.6. Consent of Series 2021A Bond Insurer.** Notwithstanding any other provisions of this Article XI, for so long as no Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist, the consent of the Holders of the Series 2021A Bonds shall for all purposes of this Indenture be deemed to have been obtained when the consent of the Series 2021A Bond Insurer is obtained, except in those cases where approval of all Holders of the Series 2021A Bonds is required herein, in which case the consents of both the Holders of the Series 2021A Bonds and, for so long as no Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist, the Series 2021A Bond Insurer shall be required.]

ARTICLE XII

AMENDMENTS OF RELATED SECURITY DOCUMENTS

Section 12.1. Amendments of Related Security Documents Not Requiring Consent of Bondholders. Subject to Section 12.2 hereof, the Agency and the Trustee may, without the consent of or notice to the Bondholders[, but with the prior written consent of the Bond Insurer,] consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Agency or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding. Notice of the propose amendment, change or modification to any of the Related Security Documents shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

Section 12.2. Amendments of Related Security Documents Requiring Consent of the Bondholders [and the Bond Insurer]. Except as provided in Section 12.1 hereof, the Agency and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice [and the written approval or consent of each Bond Insurer (for so long as no Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist)] and the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as in Section 11.3 hereof set forth (or, if such amendment, change or modification shall only affect one Series of Bonds, [the consent of the Bond Insurer of such affected Series of Bond or, if a Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist,] the consent of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding, provided, however, there shall be no amendment, change or modification to (i) the obligation of the YCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), [without the prior written approval of each Bond Insurer (for so long as no Bond Insurer Disqualification Event with respect to such Bond Insurer shall exist)] and the Holders of one hundred percent (100%) in aggregate principal amount of the Bonds at the time Outstanding given and procured as in Section 11.03 hereof provided (or, if such amendment, change or modification shall affect only one Series of Bonds [the written consent of the Bond Insurer of such affected Series of Bonds if a Bond Insurer Disqualification Event with

respect to such Bond Insurer shall not exist,] *and* the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding, [(ii) the obligation of each Bond Insurer to make payments under the applicable Bond Insurance Policy without the prior written approval of the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding,] or (iii) the Tax Compliance Documents without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in Article XI hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by [the Bond Insurer] and all Bondholders. Notice of the proposed amendment, change or modification shall also be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.

[Section 12.3. Consents of the Series 2021A Bond Insurer. Notwithstanding any other provisions of this Article XII, for so long as no Bond Insurer Disqualification Event shall exist with respect to the Series 2021A Bond Insurer, any amendment, change or modification to a Related Security Document which shall require the consent of the Holders of the Series 2021A Bonds shall instead be deemed to require only the prior written consent of the Series 2021A Bond Insurer, except in the cases where approval of all Holders of the Series 2021A Bonds is required herein, in which case the consents of both the Holders of the Series 2021A Bonds and, for so long as no Bond Insurer Disqualification Event with respect to the Series 2021A Bond Insurer shall exist, the Series 2021A Bond Insurer shall be required.]

ARTICLE XIII
MISCELLANEOUS

Section 13.1. Evidence of Signature of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Except as otherwise provided in Section 11.3 hereof with respect to revocation of a consent, any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Agency or the Trustee or any Paying Agent in accordance therewith.

Section 13.2. Moneys Held for Particular Bonds. The amounts held by the Trustee or Paying Agents for the payment of the principal or Redemption Price, if any, of, and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, and subject to any rebate requirements as set forth in the Tax Compliance Documents or this Indenture, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto. Such amounts so held shall be uninvested or, if invested, invested only in Defeasance Obligations, maturing within thirty (30) days.

Section 13.3. Notices. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given to or filed with the Agency, the School Parties, [the Bond Insurer] or the Trustee shall be deemed to

have been sufficiently given or filed for all purposes of this Indenture if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid:

(a) To the Agency, to the City of Yonkers Industrial Development Agency, 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701, Attention: Chairman.

(b) To the Trustee or to the Depository Bank, to Manufacturers and Traders Trust Company, 255 East Avenue, 4th Floor, Rochester, New York 14604, Attention: Corporate Trust Department.

(c) To the School Parties:

(i) in the case of the City, addressed to it to the attention of the Mayor, at City Hall, 40 South Broadway, Yonkers, New York 10701, with a copy to Corporation Counsel, City of Yonkers, at City Hall, 40 South Broadway, Yonkers, New York 10701;

(ii) in the case of the YCSD, addressed to it to the attention of the YCSD's Superintendent, at 1 Larkin Center, Yonkers, New York 10701, with a copy to Corporation Counsel, City of Yonkers, at City Hall, 40 South Broadway, Yonkers, New York 10701; and

(iii) in the case of the JSCB, addressed to it to the attention of the Chairman, at 1 Larkin Center, Yonkers, New York 10701, with a copy to Corporation Counsel, City of Yonkers, at City Hall, 40 South Broadway, Yonkers, New York 10701;

(d) [To the Bond Insurer, to _____, Attention: Managing Director — Surveillance, Re: Policy No. _____, Telephone: (____) _____, Telecopier: (____) _____; in each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."]

The Agency, the School Parties, [the Bond Insurer] and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices, demands, directions, certificates, Opinions of Counsel, requests, instruments or other communications hereunder shall be sent. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

Section 13.4. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the School Parties, [the Bond Insurer,] the Trustee, the Paying Agents and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the School Parties, [the Bond Insurer,] the Trustee, the Paying Agents and the Holders of the Bonds.

Section 13.5. Partial Invalidity. In case any one or more of the provisions of this Indenture or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Agency contained in the Bonds or in this Indenture shall for any reason be held to be in violation of the law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Agency to the full extent permitted by law.

Section 13.6. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.7. Laws Governing Indenture. The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

Section 13.8. No Pecuniary Liability of Agency or Members. No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Agency or the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Agency has not obligated itself except with respect to the Facilities and the application of the revenues, income and all other property therefrom, as hereinabove provided.

All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

Section 13.9. Payments Due on Saturdays, Sundays and Holidays. In any case where any payment date of principal and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

Section 13.10. Priority of Indenture Over Liens. This Indenture is given in order to secure funds to pay for costs of the Series 2021 Project and by reason thereof, it is intended that this Indenture shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon any of the Facilities subsequent to the recordation thereof. In compliance with Section 13 of the Lien Law, the Agency will receive the advances secured by this Indenture and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and that the Agency will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

Section 13.11. Date for Reference Purposes Only. The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was executed and delivered on the date of original issuance and delivery of the Series 2021A Bonds.

IN WITNESS WHEREOF, City of Yonkers Industrial Development Agency, Yonkers, New York, has caused these presents to be executed in its name and behalf by its Chairman or Vice Chairman, and, to evidence its acceptance of the trust hereby created, Manufacturers and Traders Trust Company has caused these presents to be signed in its name and behalf by an

STATE OF NEW YORK)

): SS.

COUNTY OF WESTCHESTER)

On the ____ day of August, in the year 2021, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

): SS.

COUNTY OF WESTCHESTER)

On the ____ day of August, in the year 2021, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

APPENDICES

REQUISITION NO. __

TO: Manufacturers and Traders Trust Company,
 as Trustee

FROM: Yonkers Joint Schools Construction

Board Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.1 of the Indenture of Trust dated as of August 1, 2021 (the “*Indenture*”) between the City of Yonkers Industrial Development Agency (the “*Agency*”) and yourself, a check or checks (or wire transfer or wire transfers) in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Installment Sale Agreement referred to in the Indenture.

I hereby certify that

1. I am an Authorized Representative of the JSCB;
2. the number of this Requisition is _____
3. the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.2(b) of the Indenture and each such item has been properly paid or incurred as an item of Project Cost;
4. none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;
5. no portion of the proceeds of the Series 2021A Bonds will be applied to reimburse the School Parties for Project Costs paid more than sixty (60) days prior to [November 30, 2021], except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Series 2021A Bonds which were applied to finance certain preliminary expenses with respect to the Series 2021 Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing, bond costs of issuance and similar costs incurred prior to the commencement of construction or rehabilitation of the Series 2021 Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Series 2021 Project. No portion of the proceeds of the Series 2021A Bonds will be applied to reimburse the School Parties for a cost (other than preliminary expenditures) (y) more than eighteen (18) months after the date the original expenditure was paid, or (z) more than eighteen (18) months after the date the related Facility to which the cost relates was placed in service, whichever is later.

In no event shall the proceeds of the Series 2021A Bonds be applied to reimburse the School Parties for a Project Cost paid more than three (3) years after the original expenditure was paid, unless such cost is attributable to a preliminary expenditure, as described above;

6. the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;
7. each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;
8. [unless the Bond Insurer shall otherwise consent to this Requisition,] no Event of Default exists and is continuing under the Indenture or the Installment Sale Agreement or any other Security Document nor any condition, event or act which, with notice or lapse of time or both would constitute such an Event of Default;
9. I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment;
10. if the payment herein requested is a reimbursement to the School Parties for costs or expenses of the School Parties incurred by reason of work performed or supervised by officers or employees of the School Parties or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the School Parties and such costs or expenses will be treated by the School Parties on their books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;
11. if the payment herein requested is for an item of personalty, upon payment of the cost thereof such item of personalty will be subject to the Installment Sale Agreement and the Bill of Sale to Agency.
12. such item of cost for which payment is herein requested is chargeable to the capital account of the Series 2021 Project for federal income tax purposes, or would be so chargeable either with an election by the School Parties or but for the election of the School Parties to deduct the amount of such item;
13. each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Compliance Documents; and
14. each item for which payment under this Requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than ninety-five percent (95%) of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in Section 167 of the Code.

The payees authorized to receive amounts under this Requisition will submit to you, under separate cover, bills, invoices, or other documents evidencing and supporting this Requisition, upon which you are entitled to rely, provided the amounts requested in such bills, invoices, or other documents are no greater than those amounts listed for those payees in Schedule A to this Requisition. Such bills, invoices, or other documents will also indicate a method of payment for each payee, and you are authorized to provide payment by such listed method of payment.

Dated: _____

**YONKERS JOINT SCHOOLS
CONSTRUCTION BOARD**

By: _____
Authorized Representative

SCHEDULE A TO REQUISITION NO. __

Amount

Payee (with Address)

Purpose

FORM OF NOTICE TO STATE COMPTROLLER

[Letterhead of Trustee]

[Date]

Office of New York State Comptroller
110 State Street
Albany, New York 12236
Attention: Director of Accounting Operations

Re: \$ _____
City of Yonkers Industrial Development Agency
School Facility Revenue Bonds
(Yonkers City School District Project),
2021A (the "Series 2021A Bonds")

Dear _____,

The undersigned is the Trustee for the Series 2021A Bonds issued on August_, 2021 pursuant to the terms of an Indenture of Trust (Series 2021 Project) dated as of August 1, 2021 between the Agency and the Trustee (the "*Series 2021A Indenture*").

The City of Yonkers (the "City") and the City School District of the City of Yonkers (the "*School District*") have failed to make a payment in the amount of \$_____ (the "*Deficiency*") under a certain Installment Sale Agreement (Series 2021 Project) dated as of August 1, 2021 among the City of Yonkers Industrial Development Agency (the "*Agency*"), the City, the Yonkers Joint Schools Construction Board and the School District (the "*Installment Sale Agreement*"), and, pursuant to the authority of Chapter 355 of the Laws of 2016 of the State of New York, and Section 5.4 of the Series 2021A Indenture (a copy of which is attached), you are hereby directed to withhold state and/or school aid payable to the City or the School District in the amount of the Deficiency and pay over the same to the undersigned.

**MANUFACTURERS AND
TRADERS TRUST COMPANY, as Trustee**

By: _____
Name:
Title:

[Copy of Section 5.4]

DESCRIPTION OF FACILITIES