



NEW YORK LIBERTY DEVELOPMENT CORPORATION

at the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
633 Third Avenue – 38th Floor Conference Room
New York, New York 10017

October 6, 2014 – 11:00 a.m.

PROPOSED AGENDA

CORPORATE ACTION

1. Approval of the Minutes of the September 27, 2012 Directors' Meeting
2. Officers of the Corporation - Appointment of Officers
3. Establishment of Pre-Qualified Counsel List – New York Liberty Development Corporation - Authorization to Adopt the Established New York State Urban Development Corporation d/b/a Empire State Development Team of Counsel

FOR CONSIDERATION

4. New York Liberty Development Corporation Revenue Bonds, Series 2014 (3 World Trade Center Project) - Board Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the New York Liberty Development Corporation Revenue Bonds, Series 2014 (3 World Trade Center Project) and to Take Related Actions

Item #1

New York Liberty Development Corporation
Meeting of the Directors
Held at the NYC Offices of
Empire State Development
633 Third Avenue
New York, New York 10017

September 27, 2012

MINUTES

In Attendance

Directors: Kenneth Adams, Acting Chair (via video conference)
Kathleen Mize
Frances A. Walton

NYLDC Staff: Maria Cassidy - Deputy General Counsel
Deborah Royce - Assistant Corporate Secretary
Rob Godley - Deputy Treasurer

ESD Staff: Jonathan Beyer - Senior Counsel
Andrew Flamm - Senior Director, Community Development &
Rebuilding Programs
Ross Freeman - Assistant Vice President, Real Estate & Project
Finance
Vikas Gera - Project Manager, Contractor & Supplier Diversity
Diane Kinnicutt - Economic Development Program Specialist
Antovk Pidedjian - Senior Counsel, Lending Programs
Ray Salaberrios - Senior Director, Economic Revitalization

The meeting of the New York Liberty Development Corporation (the “Corporation”), a Local Development Corporation created under New York State law, was called to order at approximately 3:06 p.m. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law and that the meeting was being web cast. Further, Acting Chair Adams noted that the Directors had received relevant written materials in advance of the meeting and

noted for the record the Corporation’s policy which welcomes public comments on the items on the current Agenda.

The first order of business was approval of the Minutes of the February 21, 2012 and July 17, 2012 Directors’ Meetings. Noting no changes or corrections, upon motion duly made and seconded, the following resolution was adopted:

72. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 21, 2012 AND JULY 17, 2012 MEETINGS OF THE DIRECTORS OF THE NEW YORK LIBERTY DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meetings of the Corporation held on February 21, 2012 and July 17, 2012 as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meetings as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Acting Chair Adams then asked Ray Salaberrios to present the final item on the Agenda which was a request for the Directors to authorize the Corporation to buy-down the interest rate of the New York Job Development Authority (“JDA”) and to establish a loan loss reserve.

Mr. Salaberrios explained that on September 12, 2012, JDA staff presented to the JDA Finance Committee information regarding the JDA loan interest rates and how those rates compare to rates being offered by other organizations, primarily, the Small Business Administration (“SBA”) in connection with its 504 Program. He indicated that by comparison, staff found that the JDA loan rates have been consistently higher than those on the SBA 504 Program and therefore these higher rates have left JDA at a competitive disadvantage.

Mr. Salaberrios advised that the JDA Finance Committee agreed, based on staff recommendation, to allow staff to present to the Corporation's Directors a request to utilize Liberty Bond fees in an effort to buy down the rates on JDA loans. He stated the loans that are being considered for a rate buy down are for terms of 20 years; or 15 to 20 years and advised that these are usually the rates utilized when discussing mortgages or financing of mortgages.

Mr. Salaberrios stated that the idea, upon approval by the Board, is to use up to \$2 million in Liberty Bond fees in an effort to buy down the current JDA rates.

As a point of reference, Mr. Salaberrios gave the example that, based on a comparison of rates offered in August, a manufacturing company now will ultimately pay \$114,000 more in principal and interest on a JDA loan, as compared with an SBA 504 loan.

He reiterated that the buy down of rates would not be utilized for loan terms less than 20 years, as the JDA rates for loan terms from 5 to 15 years are extremely competitive.

He stated the Directors were being asked to authorize the use of \$2 million in Liberty Bond fees to buy down the interest rates on JDA loans by up to 100 basis points for the \$10 million in 20-year loans.

Acting Chairman Adams said he mentioned at the JDA Finance Committee Meeting that once the Corporation allocates this amount of the Liberty Bond issuance fees for this particular

purpose, that it becomes a commitment of those fees. He noted that at the Committee meeting that Mr. Salaberrios made a very compelling presentation that the request is consistent with the JDA mission and that it's using those resources to advance more small and midsize business lending, particularly now with this new interest rate buy down for the longer term loans, like real estate financing and mortgage loans.

Acting Chairman Adams advised that while the JDA Finance Committee felt strongly that the request was on mission and a very good thing to do, he had a question for his fellow Directors. He asked if this money is dedicated for this purpose, is there something else the Corporation could have done with that money that it is not doing or is the money just sitting there and this would be a good way to use it.

Director Walton advised that clearly there are always other things that could be done with the money. However, she stated that in her estimation, the Corporation had not found a more productive use for the allocation of these funds at this point. She further stated that this is an excellent opportunity to leverage the JDA program, which as a resource has been under utilized. Director Walton noted that while there have been collective efforts to find ways to make better use of the JDA program, this is also a very productive use of the Liberty Bond fees and one that will help to spur investment and jobs in the economy and therefore seems very consistent with that program as well. She reiterated that while there are always other uses, in comparison to some of the other suggestions that have come along over time, this seems to be a very positive and advantageous use of the funds.

Acting Chairman Adams then asked for confirmation of his understanding, again from the JDA Finance Committee meeting, that having the interest rate buy down and in effect, the bond as the backstop, is going to enable JDA to do more lending than it's currently able to do. He noted the lending has been pretty much limited to machinery and equipment, and that while the competitive interest rates on the JDA loans on machinery and equipment work well with the SBA programs, and compete well but it hasn't been able to do JDA lending on the real estate side. He asked Mr. Salaberrios to review what was said at the Committee meeting which essentially was that this move would significantly increase JDA's capacity to make loans, beyond those limited to machinery and equipment and similar assets and would provide more support to businesses and have a competitive lending tool at this lower interest rate that could be used more aggressively.

Mr. Salaberrios replied that this absolutely was the case. He stated that when you compare JDA on balance with the SBA or, actually with any bank product that is in the 20-year mortgage business, staff finds that JDA works well except for the interest rates. He stated that once the interest rate is lower, we find that JDA is not only more cost-effective outside of the interest rates, but it becomes a lot more attractive to the borrower when they find out that they are paying a lower interest rate and they are paying less money to do a project and that puts JDA at a definite competitive balance. He restated that by lowering by 100 basis points of the rate will effectively allow JDA to get into deals that it normally would not normally or historically touch because in the end, the borrower wants to know the interest rates and lowering them makes it a lot more palpable for them to come to JDA.

Finally, Acting Chairman Adams asked if there were deals in a pipeline that should the Board take this action, JDA would follow up on or is it too early to have that information. Mr. Salaberrios stated that he currently had three projects which would benefit from the lowering of the 20-year rate. Acting Chairman Adams asked if one of those projects was the Green Island project and Mr. Salaberrios answered that yes, it was the Case Windows project going to the JDA Members tomorrow.

Hearing no further questions or comments, and upon motion being duly made and seconded, the following resolution was unanimously adopted:

73. NEW YORK LIBERTY DEVELOPMENT CORPORATION – JDA 20-year Loan Rates and Loan Loss Reserve - Authorization to Transfer \$2 Million in Liberty Bond Fees to Buy Down JDA Interest Rates and Authorization to Transfer \$5 Million in Liberty Bond Fees to Establish a JDA Loan Loss Reserve

RESOLVED, that the Chairman of the Corporation, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the transfer of \$2 million in Liberty Bond Fees to JDA to buy down JDA interest rates and the transfer of \$5 million in Liberty Bond Fees to JDA for the initial establishment of a loan loss reserve fund.

* * *

There being no further business, the meeting was adjourned at 3:18 p.m.

Respectfully submitted,

Deborah Royce
Assistant Corporate Secretary

Item #2



FOR CONSIDERATION

October 6, 2014

TO: The Directors

FROM: Maria Cassidy

SUBJECT: Officers of the Corporation

REQUEST FOR: Appointment of Officers

I. Background

Several officer positions of the New York Liberty Development Corporation (the "Corporation" or "NYLDC") are currently vacant. As a matter of corporate housekeeping and to ensure the Corporation has a complement of officers at any given time who can execute required documentation on the Corporation's behalf, it is recommended that certain of these positions be filled.

In addition, at this time it is recommended that the positions of President; Executive Vice President - Legal and General Counsel; Chief Financial Officer; and Treasurer be appointed ex-officio with the corresponding positions at the New York State Urban Development Corporation, doing business as Empire State Development ("ESD"). In this way, future staff changes will not result in the need for additional board actions simply to substitute individuals and ensuring that these officer positions will be filled expeditiously.

Accordingly, it is recommended that the following offices be authorized and the individuals currently serving in the same capacity at ESD be appointed:

President – Kenneth Adams;
Executive Vice President - Legal and General Counsel – Elizabeth R. Fine;
Chief Financial Officer – Margaret Tobin; and
Treasurer – Robert Godley.

New York Liberty Development Corporation
633 Third Avenue, 35th Floor, New York, NY 10017
Tel: 212-803-3100 Fax: 212-803-3515

II. Requested Action

The Directors are requested to: 1) approve the appointment of Kenneth Adams to the office of President; 2) approve the appointment of Elizabeth R. Fine to the office of Executive Vice President – Legal and General Counsel; 3) approve the appointment of Margaret Tobin to the office of Chief Financial Officer; 4) approve the appointment of Robert Godley to the office of Treasurer; 5) confirm that the titles of President; Executive Vice President - Legal and General Counsel; Chief Financial Officer; and Treasurer are created and individuals are appointed to such offices ex-officio with the corresponding titles of the New York State Urban Development Corporation d/b/a/ Empire State Development; and 6) confirm that said positions are officers of the Corporation within the meaning of the New York Not-for-Profit Corporation Law and the provisions of the Corporation's bylaws, including the indemnification provisions thereof.

III. Recommendation

Based upon the foregoing, I recommend approval of the requested actions.

Attachment
Resolutions

October 6, 2014

NEW YORK LIBERTY DEVELOPMENT CORPORATION – Officers of the Corporation - Appointment of Officers

RESOLVED, that the following offices are authorized and the following individuals be, and hereby are, appointed to the office which appears opposite their name, until earlier resignation or removal, their appointment being effective as of the date indicated in the attached materials, a copy of which is hereby ordered to be filed with the records of the Corporation:

President – Kenneth Adams;
Executive Vice President – Legal and General Counsel – Elizabeth R. Fine;
Chief Financial Officer – Margaret Tobin; and
Treasurer – Robert Godley; and

and be it further

RESOLVED, that within the meaning of the New York Not-for-Profit Corporation Law and in accordance with and for all purposes of the Corporations' By-Laws, including but not limited to the indemnification provisions thereof, the above-referenced individuals are "officers" of the Corporation;

and be it further

RESOLVED, that the titles of President; Executive Vice President - Legal and General Counsel; Chief Financial Officer; and Treasurer are and shall be appointed ex-officio with the corresponding titles of the New York State Urban Development Corporation d/b/a/ Empire State Development and confirms that these positions are "officers" of the Corporation within the meaning of the New York Not-for-Profit Corporation Law and within the meaning of the provisions of the Corporation's By-Laws, including the indemnification provisions thereof.

* * *

Item #3



FOR CONSIDERATION

October 6, 2014

TO: The Directors

FROM: Maria Cassidy

SUBJECT: Establishment of Pre-Qualified Counsel List

REQUEST FOR: Authorization to Adopt the Established New York State Urban Development Corporation d/b/a Empire State Development Team of Counsel

I. Background

In April 2012, the New York State Urban Development Corporation d/b/a Empire State Development Corporation ("ESD") placed an advertisement in the New York State Contract Reporter pursuant to which ESD subsequently issued a Request for Proposals ("RFP") to select a group of counsel in 9 different practice areas for ESD's legal matters including those carried out by ESD subsidiaries. Based upon review of all relevant criteria, ESD selected a list of counsel in 9 practice areas to remain in effect for three years, with an option for the General Counsel or Deputy General Counsel to extend the list for a fourth year.

This action seeks adoption of the ESD approved pre-qualified list which would make these firms available for future recommendation to the Liberty Development Corporation ("LDC") Directors for retention as the need may arise, without the need to conduct a further solicitation. No individual law firm is being recommended at this time for retention in connection with any particular matter and no funding is being authorized. Rather, only a pre-qualified list is being approved.

II. The Solicitation

As part of the Solicitation, ESD staff placed an advertisement in the New York State Contract Reporter requesting proposals from law firms in the following areas of law: real estate

and land use; environmental; construction; condemnation; bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Proposals were due by May 17, 2012 and all submissions were opened on May 23, 2012.

In addition, ESD staff contacted by letter and/or email all firms that had responded to the 2008 and 2010 solicitations, all New York State certified minority and women-owned business enterprise firms ("M/WBE"), as well as other firms referred to us by ESD staff and others. All such communications advised the firms of the Contract Reporter procurement opportunity.

Sixty-six firms responded to the solicitation. The responses were evaluated by a Review Committee consisting of the Deputy General Counsel and five Senior Counsels, including the Senior Counsel primarily responsible for bond financings and the Senior Counsel for environmental and litigation matters. The submissions were evaluated on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the ESD engages; experience in government and public/private initiatives generally; presence and size of office(s) in New York State; the firm's current arrangements and/or willingness to engage in future M/WBE partnering or mentoring arrangements; and willingness to work within ESD's limitation on hourly fees. In some cases, additional information was requested in clarification of an initial submission and nine firms were selected for interviews.

Based on the review, ESD staff recommended approval, as pre-qualified counsel to ESD, in the indicated areas of expertise, the 50 firms listed on Attachment A to these materials. The ESD Board approved the pre-qualified list at its September 2012 meeting. This pre-qualified slate permits staff to respond to legal project needs efficiently.

III. Financial Commitment and Selection from the List

The Directors are not now being asked to authorize the retention of any firm in connection with any matter. Instead, the requested approval would serve to make available to LDC a selection of candidate firms that have been through a broad solicitation process. This would allow staff to select from among the candidate firms to recommend to the LDC Directors in the future for retention in connection with particular projects without the need for conducting individual solicitations in each instance. This will save for each project the two or more months that is normally needed to conduct a solicitation, perform the necessary review and formulate a recommendation.

In addition, staff recommends that the General Counsel of LDC or, in the General Counsel's absence, the Deputy General Counsel, be given the authority to refer to any such counsel matters in related areas of expertise as s/he may deem appropriate and advisable in connection with any project. For example, in the event that a tax issue arises in connection with a real estate transaction, the General Counsel or, in the General Counsel's absence, the

Deputy General Counsel, in his/her discretion could call on the expertise of tax attorneys with the pre-qualified firm that was selected to handle the real estate aspects of the transaction.

IV. Duration of List

Staff recommends that the pre-qualified list remain in effect for a period co-terminus with the ESD approved pre-qualified list which is currently three years, with the option to extend the duration of the list for an additional year at the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel.

V. Environmental Review

ESD staff has determined that this determination does not constitute an action as defined by the New York State Environmental Quality Review Act and its implementing regulations. No further environmental review is required in connection with the requested approval.

VI. Recommendation and Requested Action

Staff recommends and the Directors are requested to approve the firms on Attachment A to these materials as pre-qualified counsel in the areas of expertise identified in such Attachment (and in each case related litigation) and, in the discretion of LDC's General Counsel or, in the General Counsel's absence, the Deputy General Counsel, such related areas of expertise as he or she may deem appropriate and advisable in connection with any project, for a period co-terminus with the ESD approval pre-qualified list.

Attachment
Resolution
Attachment A

October 6, 2014

NEW YORK LIBERTY DEVELOPMENT CORPORATION – Establishment of Pre-Qualified Counsel List - Authorization to Adopt the Established New York State Urban Development Corporation d/b/a Empire State Development Team of Counsel

WHEREAS, the New York Liberty Development Corporation (the “Corporation” or “LDC”) proposes to select a team of counsel for all matters related to the Corporation; and

WHEREAS, the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) placed a notice in the New York State Contract Reporter, and issued a Request for Proposals to select a group of law firms to serve as ESD’s counsel and on the basis of the overall rankings of the proposals submitted by the responding firms, selected counsel in nine (9) different practice areas including two (2) tiers of bond counsel and;

WHEREAS, based on ESD’s evaluation of such counsel, the Corporation wishes to adopt the same counsel adopted by ESD; and

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the law firms, listed in Attachment A be and each hereby is, approved as pre-qualified counsel in the various areas of expertise (and, in each case, related litigation), and in such other areas as the LDC General Counsel or, in the LDC General Counsel’s absence, the LDC Deputy General Counsel, may in his or her sole discretion may deem appropriate or advisable in connection with any particular project or matter, such approval to remain in effect until the termination or expiration of the pre-qualified ESD list.

RESOLVED, that the President and Vice President of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all and any related actions as he or she may in his or her sole discretion consider necessary or proper to effectuate the foregoing. Any actions taken by the Corporation prior to the adoption of this resolution complementing or in furtherance of the actions authorized are hereby ratified.

* * *

Attachment A:
Pre-Qualified Legal Counsel
Adopted by ESD Board on September 20, 2012
Adopted by the New York Liberty Development Corporation Board
October 6, 2014

Real Estate and Land Use

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Bryan Cave LLP
* Bryant Rabbino LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Law Offices of Donald J. Tobias
* Gonzalez Saggio & Harlan LLP
Harris Beach PLLC
Hawkins Delafield & Wood LLP
Herrick Feinstein LLP
Hiscock & Barclay LLP
Hodgson Russ LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Jaeckle Fleischmann & Mugel LLP
Knauf & Shaw LLP
Kramer Levin Naftalis & Frankel LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Phillips Lytle & * The Gibson Law Firm
Saunders Kahler LLP
Schiff Hardin LLP
* Schoeman Updike & Kaufman LLP
Shearman & Sterling LLP
Sidley Austin LLP
Skadden Arps Slate Meagher & Flom LLP
Venable LLP
Whiteman Osterman & Hanna LLP

Condemnation

Berger & Webb
Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Hiscock & Barclay LLP
Kramer Levin Naftalis & Frankel LLP
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Sidley Austin LLP

Construction

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
* Gonzalez Saggio & Harlan LLP
Greenberg Trauig LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
* Hoguet Newman Regal & Kenney LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Kilpatrick Townsend & Stockton LLP
Kramer Levin Naftalis & Frankel LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Saunders Kahler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Wasserman Grubin & Rogers LLP
Whiteman Osterman & Hanna LLP
* Wilson & Chan LLP

* M/WBE Firm

Attachment A:
Pre-Qualified Legal Counsel
Adopted by ESD Board on September 20, 2012
Adopted by the New York Liberty Development Corporation Board
October 6, 2014

Bankruptcy

Bond Schoeneck & King PLLC
Bryan Cave LLP
Damon & Morey LLP
Day Pitney LLP
Law Offices of Donald J. Tobias
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Jaekle Fleischmann & Mugel LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Saunders Kahler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Whiteman Osterman & Hanna LLP

Labor

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Clifton Budd & DiMaria LLP
Damon & Morey LLP
Day Pitney LLP
* Gonzalez Saggio & Harlan LLP
Harris Beach PLLC
Hiscock & Barclay LLP
Hodgson Russ LLP
* Hogue Newman Regal & Kenney LLP
Jaekle Fleischmann & Mugel LLP
Schroder Joseph & Associates LLP
McNamee Lochner Titus & Williams, P.C.
Putney Twombly Hall & Hirson LLP
* Rao Tiliakos LLP
Saunders Kahler LLP
* Schoeman Updike & Kaufman LLP
Shearman & Sterling LLP
Sidley Austin LLP

Environmental

Bond Schoeneck & King PLLC
Bryan Cave LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
* Gonzalez Saggio & Harlan LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Jaekle Fleischmann & Mugel LLP
Knauf & Shaw LLP
Kramer Levin Naftalis & Frankel LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Phillips Lytle & * The Gibson Law Firm
Shearman & Sterling LLP
Sidley Austin LLP
Sive Paget & Riesel PC
Venable LLP
Whiteman Osterman & Hanna LLP

Taxation

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Jaekle Fleischmann & Mugel LLP
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Whiteman Osterman & Hanna LLP

* M/WBE Firm

Attachment A:
Pre-Qualified Legal Counsel
Adopted by ESD Board on September 20, 2012
Adopted by the New York Liberty Development Corporation Board
October 6, 2014

Venable LLP
Whiteman Osterman & Hanna LLP

Foreclosure

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Law Offices of Donald J. Tobias
* Gonzalez Saggio & Harlan LLP
Harris Beach PLLC
Herrick Feinstein LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams, P.C.
Nixon Peabody LLP
Sidley Austin LLP

Bond

Senior Tier:

Harris Beach PLLC
Hawkins Delafield & Wood LLP
Holland & Knight
Mintz Levin Cohn Ferris Glovsky and Popeo
Nixon Peabody LLP
Orrick Herrington & Sutcliffe LLP
Squire Sanders LLP & * Knox Seaton
Winston & Strawn LLP

Junior Tier:

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Chapman & Cutler LLP
Day Pitney LLP
Edwards Wildman Palmer LLP and * The
Hardwick Law Firm LLC
* Gonzalez Saggio & Harlan LLP
Hiscock & Barclay LLP
* Law Office of Joseph C. Reid, P.A.
* Lewis & Munday PC
Sidley Austin LLP

Item #4



FOR CONSIDERATION

October 6, 2014

TO: The Directors

FROM: Maria Cassidy

SUBJECT: New York Liberty Development Corporation Revenue Bonds, Series 2014 (3 World Trade Center Project)

REQUEST FOR: Board Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the New York Liberty Development Corporation Revenue Bonds, Series 2014 (3 World Trade Center Project) and to Take Related Actions

Introduction

The Board is being asked to approve the operative provisions, sale terms, limited offering memorandum, bond purchase agreement, related documents and related actions in connection with the sale and delivery of New York Liberty Development Corporation (the "Corporation") Revenue Bonds, Series 2014 (3 World Trade Center Project) (the "Series 2014 Bonds"), to be issued for the benefit of 3 World Trade Center LLC (the "Borrower").

Background

The Series 2014 Bonds will be used to refund (i) the \$338,050,000 New York Liberty Development Corporation Multi-Modal Recovery Zone Revenue Bonds (3 World Trade Center Project), Series 2010, (ii) the \$1,229,500,000 New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds (3 World Trade Center Project), Series 2011A and Series 2011B, and (iii) all or a portion of the \$114,000,000 New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds (World Trade Center Project – Towers 3-4), Series 2011A and Series 2011B (collectively, the "Prior Bonds"). The proceeds of the Prior Bonds will be used to finance a portion of the costs of construction and development of the Tower 3 Facility, which upon completion will be a 69-story building containing approximately 2.5 million square feet of office space encompassing 58 office floors to be located at the World Trade Center site in Lower Manhattan in The City of New York.

The construction and development of the Tower 3 Facility will also be financed by equity contributions of the Borrower, insurance proceeds, contributions from the State of New York and The City of New York and a “financial backstop” from The Port Authority of New York and New Jersey (the “Port Authority”).

The Series 2014 Bonds

The Series 2014 Bonds will be issued by the Corporation in three classes: the Class 1 Bonds, the Class 2 Bonds and the Class 3 Bonds, each secured by a separate indenture of trust between the Corporation and The Bank of New York Mellon, as the Class 1 Indenture Trustee, the Class 2 Indenture Trustee and the Class 3 Indenture Trustee under the Class 1 Indenture, the Class 2 Indenture and the Class 3 Indenture, respectively (each, an “Indenture” and collectively, the “Indentures”), each of which will be substantially similar in form to the others.

The Class 1 Bonds will have a payment priority over the Class 2 Bonds and the Class 3 Bonds; the Class 2 Bonds will have a payment priority over the Class 3 Bonds, in each case as provided in the Servicing Agreement and the Intercreditor Agreement (each as defined below).

The Series 2014 Bonds will be special limited revenue obligations of the Corporation. The Class 1 Bonds will be payable solely from the trust estate under the Class 1 Indenture, the Class 2 Bonds will be payable solely from the trust estate under the Class 2 Indenture and the Class 3 Bonds will be payable solely from the trust estate under the Class 3 Indenture. All of the Series 2014 Bonds are expected to be issued as tax-exempt bonds. However, it may be necessary to issue up to an additional \$100,000,000 in taxable bonds under the Class 1 Indenture as a result of market conditions. The three Classes of Series 2014 Bonds will be treated as a single issuance for tax purposes.

Loan Agreements

The Corporation will loan the proceeds of each of the three Classes of Series 2014 Bonds to the Borrower pursuant to three separate loan agreements: the Class 1 Loan Agreement, the Class 2 Loan Agreement and the Class 3 Loan Agreement (each, a “Loan Agreement” and, collectively, the “Loan Agreements”), each of which will be substantially similar in form to the others. In addition, for purposes of Section 22 of the New York Lien Law, the Corporation and the Borrower will enter into a separate building loan agreement for each Class of loans (each, a “Building Loan Agreement” and, collectively, the “Building Loan Agreements”), each of which will be substantially similar in form to the others and will represent the respective portions of such loans that will be used to finance costs of improvement, including hard costs and indirect costs. To evidence the Borrower’s obligations under the respective Loan Agreements and Building Loan Agreements, it will deliver to the Corporation and to each Indenture Trustee promissory notes: the Class 1 Notes, the Class 2 Notes and the Class 3 Notes (collectively, the “Notes”).

An event of default under a senior Class loan (e.g., the Class 1 loan) will result in an event of default under all Classes of loans junior to it. An event of default under the Class 3 loan will not cross-default the Class 1 or Class 2 loans.

Security for the Series 2014 Bonds

The Class 1 Bonds will be secured by and payable from loan payments to be made by the Borrower pursuant to the Class 1 Loan Agreement and the Class 1 Notes. As collateral for these obligations, the Borrower will grant to the Corporation a first and a second priority mortgage lien on the Borrower's interest in the Tower 3 Facility pursuant to the Class 1 building loan mortgage and project loan mortgage (together, the "Class 1 Mortgages"), respectively. The Class 1 loan obligations will be further secured by a pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower and a pledge and assignment of contracts relating to the Tower 3 Facility. In addition, the Corporation will assign all of its right, title and interest (other than certain reserved rights) in the Class 1 loan documents to the Class 1 Indenture Trustee for the benefit of the Class 1 Bondholders.

The Class 2 Bonds will be secured by and payable from loan payments to be made by the Borrower pursuant to the Class 2 Loan Agreement and the Class 2 Notes. As collateral for these obligations, the Borrower will grant to the Corporation a third and a fourth priority mortgage lien on the Borrower's interest in the Tower 3 Facility pursuant to the Class 2 building loan mortgage and project loan mortgage (together, the "Class 2 Mortgages"), respectively. The Class 2 Loan obligations will be further secured by a pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower and a pledge and assignment of contracts relating to the Tower 3 Facility. In addition, the Corporation will assign all of its right, title and interest (other than certain reserved rights) in the Class 2 loan documents to the Class 2 Indenture Trustee for the benefit of the Class 2 Bondholders.

The Class 3 Bonds will be secured by and payable from loan payments to be made by the Borrower pursuant to the Class 3 Loan Agreement and the Class 3 Notes. As collateral for these obligations, the Borrower will grant to the Corporation a sixth priority and a seventh priority mortgage lien on the Borrower's interest in the Tower 3 Facility pursuant to the Class 3 building loan mortgage and project loan mortgage (together, the "Class 3 Mortgages" and, together with the Class 1 Mortgages and the Class 2 Mortgages, the "Mortgages," each of which will be substantially similar in form to the others)¹, respectively. The Class 3 Loan obligations will be further secured by a pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower and a pledge and assignment of contracts relating to the Tower 3 Facility. As further security, 3 WTC Mezz, LLC, an indirect parent company of the Borrower, will pledge to the Corporation 100% of the equity interests in 3 WTC Holdings LLC, the direct parent company of the Borrower (the "Direct Parent"). In addition, the Corporation will assign all of its right, title and interest (other than

¹ Note that in order to provide for a mortgage recording tax exemption, the Port Authority will initially join as a mortgage under each Mortgage but then will immediately assign its interest in such Mortgage to the Corporation.

certain reserved rights) in the Class 3 loan documents to the Class 3 Indenture Trustee for the benefit of the Class 3 Bondholders.

Further, each Class of Series 2014 Bonds will be secured by certain funds and accounts established and held under the Cash Management Agreement (as defined below) and the Servicing Agreement. The proceeds of the Prior Bonds and certain other funds will be deposited with the Cash Management Bank (as defined below) under the Cash Management Agreement as security for the Series 2014 Bonds. Each of the three Indenture Trustees will have a security interest in all funds and accounts held under the Cash Management Agreement and the Servicing Agreement, subject to the payment priorities set forth in the Intercreditor Agreement and the Servicing Agreement.

World Trade Center Properties, LLC, an indirect parent company of the Borrower, will provide a non-recourse carveout guaranty for each Class of Series 2014 Bonds in respect of certain “bad boy” acts of the Borrower.

Tower 3 Tenant Support Agreement and Multi-Party Agreement

Pursuant to the Amended and Restated Tower 3 Tenant Support Agreement by and between the Port Authority and the Borrower (the “Tower 3 Tenant Support Agreement”), the Port Authority will provide (as a special limited obligation) a “financial backstop” to fund, subject to the limitations and conditions set forth therein, construction cost overruns, leasing cost overruns and operating expense deficits of the Tower 3 Facility and debt service shortfalls on the Class 1 Bonds and the Class 2 Bonds. The Borrower’s obligations under the Tower 3 Tenant Support Agreement will be secured by a fifth priority mortgage lien on the Borrower’s interest in the Tower 3 Facility, a pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower, a pledge and assignment of contracts relating to the Tower 3 Facility and a pledge by the Direct Parent to the Port Authority of 100% of the equity interests in the Borrower and guaranteed by the Direct Parent.

Pursuant to the Multi-Party Acknowledgment Agreement by and among the Port Authority, the Class 1 Indenture Trustee and the Class 2 Indenture Trustee (the “Multi-Party Agreement”), each of the Class 1 Indenture Trustee and the Class 2 Indenture Trustee will have the right to make requisitions under the Tower 3 Tenant Support Agreement subject to the limitations and conditions set forth therein.

Cash Management Agreement

The Borrower, the three Indenture Trustees and Wells Fargo Bank, National Association (the “Cash Management Bank”), will enter into a Cash Management and Security Agreement (the “Cash Management Agreement”), which will govern the cash flows for the Tower 3 Facility and the financing, including the proceeds of the Prior Bonds, a construction contribution of \$210,000,000 from the Port Authority, an equity contribution from the Borrower of approximately \$55,000,000 and insurance proceeds of approximately \$159,000,000. The Cash

Management Agreement also sets forth the requisition requirements for disbursements from the funds and accounts held thereunder.

Servicing Agreement

The three Indenture Trustees, Wells Fargo Bank, National Association, as master servicer (the "Master Servicer"), Wells Fargo Bank, National Association, as special servicer appointed to represent the Class 1 Indenture Trustee on behalf of the Class 1 Bondholders and the Class 2 Indenture Trustee on behalf of the Class 2 Bondholders (the "Senior Special Servicer"), and Trimont Real Estate Advisors, Inc., as the special servicer appointed to represent the Class 3 Indenture Trustee on behalf of the Class 3 Bondholders (the "Class 3 Special Servicer"), will enter into a Servicing Agreement (the "Servicing Agreement") pursuant to which each of the three Indenture Trustees will assign to the Master Servicer and the Senior Special Servicer or the Class 3 Special Servicer, as applicable, the sole and exclusive right, subject to certain reserved rights, to administer, to take enforcement actions, to grant or withhold approvals and to exercise rights and remedies under the respective loan documents for each of the three loans. The Servicing Agreement also will establish the payment priorities among the three Classes of Bonds.

The Master Servicer will administer all three Classes of loans until an event of default has occurred, or is likely to occur, under any Loan Agreement, at which time the obligation to administer the related loan obligations will be transferred to the Senior Special Servicer or the Class 3 Special Servicer, as applicable. In order to avoid conflicts that may result from differing interests among the three Classes of Bondholders, certain decisions will be made by the special servicer representing the most senior Class of bondholders if more than one Class of loans is in default and, in all other cases, by the Class 3 Special Servicer. With respect to certain decisions to be made on a per Class basis, each Indenture Trustee will have the ability to appoint a separate Bondholder Representative to act.

Intercreditor Agreement

The three Indenture Trustees and the Port Authority will enter into an Intercreditor Agreement (the "Intercreditor Agreement"), which will provide for cure rights among the various creditors and govern the timing with respect to the exercise of remedies among them. Prior to an event of default, payment shall be made in the following order of priority: first, to the Class 1 Indenture Trustee, second, to the Class 2 Indenture Trustee, third, to the Class 3 Indenture Trustee and fourth, to the Port Authority. Upon a liquidation, proceeds are distributed in the following order of priority: first, to the Class 1 Indenture Trustee, second, to the Class 2 Indenture Trustee, third, to the Port Authority and fourth, to the Class 3 Indenture Trustee.

Offering and Sale of Series 2014 Bonds

As part of the transaction, the Corporation will also enter into a bond purchase agreement for the initial underwriting of the Series 2014 Bonds (the "Bond Purchase Agreement"), pursuant to which Goldman Sachs & Co., a representative of the underwriters,

will purchase the Series 2014 Bonds from the Corporation on a firm commitment basis. The Series 2014 Bonds will be offered and sold pursuant to a Limited Offering Memorandum to qualified institutional buyers, accredited investors and sophisticated municipal market professionals (each as defined under the federal securities laws). The Corporation is being asked to delegate authority to its officers to approve the maturities, prices, yields and other terms of the Series 2014 Bonds.

Requested Action

In accordance with the attached resolution, you are hereby requested to: (1) approve the terms and authorize the sale of the Series 2014 Bonds on a negotiated basis; (2) confirm the appointment of certain professionals; (3) approve the form and content of the preliminary limited offering memorandum and various other documents connected with the sale and delivery of the Series 2014 Bonds; and (4) authorize certain officers and employees of the Corporation to take all actions deemed necessary to accomplish the final sale and delivery of the Series 2014 Bonds.

Attachments

Resolution with the following Exhibits: (Exhibits to Directors only)

- A. Class 3 Loan Agreement (as the form of Loan Agreements)
- B. Class 3 Building Loan Agreement (as the form of Building Loan Agreements)
- C. Class 3 Indenture of Trust (as the form of Indentures)
- D. Class 3 Building Loan Leasehold Mortgage (as the form of Mortgages)
- E. Preliminary Limited Offering Memorandum (to be distributed electronically)
- F. Bond Purchase Agreement
- G. For Informational Purposes Only:
 - 1. Tower 3 Tenant Support Agreement;
 - 2. Multi-Party Agreement;
 - 3. Cash Management Agreement;
 - 4. Servicing Agreement (to be distributed electronically);
 - 5. Intercreditor Agreement; and
 - 6. Glossary of Defined Terms.

NEW YORK LIBERTY DEVELOPMENT CORPORATION
RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF
REVENUE BONDS, SERIES 2014
(3 WORLD TRADE CENTER PROJECT)

Adopted October 6, 2014

WHEREAS, the New York Liberty Development Corporation (the "Corporation"), a local development corporation caused to be incorporated by the New York Job Development Authority pursuant to Section 1411 of the New York Not-For-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of New York (the "LDC Act"), is authorized by the LDC Act and its by-laws to issue Liberty Bonds and Recovery Zone Bonds; and

WHEREAS, on December 30, 2009, the Corporation issued its \$2,579,955,000 New York Liberty Development Corporation Multi-Modal Liberty Revenue Bonds, Series 2009A (World Trade Center Project), and its \$13,545,000 New York Liberty Development Corporation Multi-Modal Liberty Revenue Bonds, Series 2009B (World Trade Center Project), which were remarketed and redesignated on October 12, 2010, November 18, 2010, January 27, 2011 and April 28, 2011 (as remarketed and redesignated, the "Series 2009 Bonds"); and

WHEREAS, the Series 2009 Bonds were issued to finance the development, acquisition and construction of three office buildings with an approximate total of six million two hundred thousand (6,200,000) gross office square feet of commercial office space to be known as World Trade Center – Tower 2 ("Tower 2"), World Trade Center – Tower 3 and World Trade Center – Tower 4 (collectively, the "Initial Project") by 2 World Trade Center LLC, 3 World Trade Center LLC (the "Borrower") and 4 World Trade Center LLC; and

WHEREAS, on December 17, 2009, the Governor of the State of New York designated \$1,672,550,000 aggregate principal amount of the Series 2009 Bonds (together with any other bonds issued within three years of the date of issue of the Series 2009 Bonds the proceeds of which are used to refund such bonds) as Liberty Bonds and, on December 10, 2009, the Mayor of The City of New York designated \$920,950,000 aggregate principal amount of the Series 2009 Bonds (together with any bonds issued within three years of the date of issue of the Series 2009 Bonds the proceeds of which are used to refund such bonds) as Liberty Bonds; and

WHEREAS, subsequent to the issuance of the Series 2009 Bonds, it was determined that the proceeds of the Series 2009 Bonds would not be applied for the development, acquisition and construction of Tower 2 and 2 World Trade Center LLC was released of its obligations with respect to the Series 2009 Bonds; and

WHEREAS, on October 20, 2011, the Corporation issued its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011A (World Trade Center Project), in the aggregate principal amount of \$2,573,035,000 and its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011B (World Trade Center Project), in the aggregate principal amount of \$20,465,000 (collectively, the "Series 2011 Bonds") to refund the Series 2009 Bonds; and

WHEREAS, on November 15, 2011, the Corporation issued its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011A (3 World Trade Center Project), in the aggregate principal amount of \$1,218,495,000 and its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011B (3 World Trade Center Project), in the aggregate principal amount of \$11,005,000 to refund a portion of the Series 2011 Bonds, which were remarketed and redesignated on August 8, 2012, May 22, 2013 and March 19, 2014 (as remarketed and redesignated, the "Series 2011 Tower 3 Bonds"); and

WHEREAS, on November 15, 2011, the Corporation issued its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011A (World Trade Center Project – Towers 3-4), in the aggregate principal amount of \$112,965,000 and its New York Liberty Development Corporation Multi-Modal Liberty Revenue Refunding Bonds, Series 2011B (World Trade Center Project – Towers 3-4), in the aggregate principal amount of \$1,035,000 to refund a portion of the Prior Series 2011 Bonds, which were remarketed and redesignated on August 8, 2012, May 22, 2013 and March 19, 2014 (as remarketed and redesignated, the "Series 2011 Towers 3-4 Bonds"); and

WHEREAS, December 30, 2010, the Corporation issued its \$336,560,000 New York Liberty Development Corporation Multi-Modal Recovery Zone Revenue Bonds, Series 2010A-1 (3 World Trade Center Project), and its \$1,490,000 New York Liberty Development Corporation Multi-Modal Recovery Zone Revenue Bonds, Series 2010A-2 (3 World Trade Center Project), which were remarketed and redesignated on October 20, 2011, August 8, 2012, May 22, 2013 and March 19, 2014 (as remarketed and redesignated, the "Series 2010 Tower 3 Recovery Zone Bonds"); and

WHEREAS, on December 15, 2010, the Governor of the State of New York designated \$200,000,000 aggregate principal amount of the Series 2010 Tower 3 Recovery Zone Bonds (together with any other bonds issued within three years of the date of issue of the Series 2010 Tower 3 Recovery Zone Bonds the proceeds of which are used to refund such bonds) as recovery zone facility bonds, on December 22, 2010, the Governor of the State of New York designated an additional \$139,675,000 aggregate principal amount of the Series 2010 Tower 3 Recovery Zone Bonds (together with any other Bonds issued within three years of the date of issue of the Series 2010 Tower 3 Recovery Zone Bonds the proceeds of which are used to refund such bonds) as recovery zone facility bonds and, on December 6, 2010, the Mayor of The City of New York designated \$18,700,000 aggregate principal amount of the Series 2010 Tower 3 Recovery Zone Bonds (together with any bonds issued within three years of the date of issue

of the Series 2010 Tower 3 Recovery Zone Bonds the proceeds of which are used to refund such bonds) as recovery zone facility bonds; and

WHEREAS, the Series 2010 Tower 3 Recovery Zone Bonds were issued to finance a portion of the costs of construction of an office building, which upon completion will be a 69-story building containing approximately 2.5 million square feet of office space encompassing 58 office floors to be located at the World Trade Center site in Lower Manhattan in The City of New York (the "Tower 3 Facility") by the Borrower; and

WHEREAS, an environmental review of the construction of the Initial Project was completed by the New York State Urban Development Corporation d/b/a Empire State Development, as an involved agency on behalf of the Corporation, under and pursuant to the State Environmental Quality Review Act (SEQRA) and its implementing regulations of the New York State Department of Environmental Conservation (6 NYCRR Part 617), as part of the April 2004 Final Generic Environmental Impact Statement and April 2005 and September 2006 Supplemental Environmental Assessment for the World Trade Center Memorial and Redevelopment Plan, and no further action is required in connection with the construction of the Tower 3 Facility; and

WHEREAS, in order to finance a portion of the costs of the construction of the Tower 3 Facility, the Borrower has requested that the Corporation issue its Revenue Bonds, Series 2014 (3 World Trade Center Project), Class 1 (the "Class 1 Bonds"), Revenue Bonds, Series 2014 (3 World Trade Center Project), Class 2 (the "Class 2 Bonds"), and Revenue Bonds, Series 2014 (3 World Trade Center Project), Class 3 (the "Class 3 Bonds" and, together with the Class 1 Bonds and the Class 2 Bonds, the "Series 2014 Bonds"), in an aggregate principal amount not to exceed \$1,781,550,000 (which may include up to \$100,000,000 of taxable Class 1 Bonds), or such greater amount to accommodate original issue discount that may be required to market the Series 2014 Bonds but in any event not to exceed \$1,870,053,000, to be used to refund all of the Series 2011 Tower 3 Bonds, all or a portion of the Series 2011 Towers 3-4 Bonds and all of the Series 2010 Tower 3 Recovery Zone Bonds (collectively, the "Prior Bonds") and, as to any taxable Class 1 Bonds, pay for additional costs of the Tower 3 Facility; and

WHEREAS, (i) the proceeds of the Class 1 Bonds will be loaned (the "Class 1 Loan") to the Borrower pursuant to the Class 1 Loan Agreement (the "Class 1 Loan Agreement") and the Class 1 Building Loan Agreement (the "Class 1 Building Loan Agreement"), (ii) the proceeds of the Class 2 Bonds will be loaned (the "Class 2 Loan") to the Borrower pursuant to the Class 2 Loan Agreement (the "Class 2 Loan Agreement") and the Class 2 Building Loan Agreement (the "Class 2 Building Loan Agreement") and (iii) the proceeds of the Class 3 Bonds will be loaned (the "Class 3 Loan" and, together with the Class 1 Loan and the Class 2 Loan, the "Loans") to the Borrower pursuant to the Class 3 Loan Agreement (the "Class 3 Loan Agreement" and, together with the Class 1 Loan Agreement and the Class 2 Loan Agreement, the "Loan Agreements") and the Class 3 Building Loan Agreement (the "Class 3 Building Loan Agreement" and, together with the Class 1 Building Loan Agreement and the Class 2 Building Loan Agreement, the "Building Loan Agreements"), each by and between the Corporation and the Borrower; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the Class 3 Loan Agreement as the form of agreement for each of the Loan Agreements, a copy of which is annexed to this Resolution as Exhibit A, and the Class 3 Building Loan Agreement as the form of agreement for each of the Building Loan Agreements, a copy of which is annexed to this Resolution as Exhibit B; and

WHEREAS, the Borrower will execute promissory notes in connection with each of the Loan Agreements and the Building Loan Agreements (collectively, the "Notes"), copies of which are attached to the form of Loan Agreement annexed to this resolution as Exhibit A; and

WHEREAS, (i) the Class 1 Bonds will be issued and secured under the Class 1 Indenture of Trust (the "Class 1 Indenture") by and between the Corporation and The Bank of New York Mellon, as Class 1 Indenture Trustee (the "Class 1 Indenture Trustee"), and the Corporation will assign certain of its rights under the Class 1 Loan Agreement, the Class 1 Building Loan Agreement, the Class 1 Notes and the related collateral to the Class 1 Indenture Trustee as security for the Class 1 Bonds, (ii) the Class 2 Bonds will be issued and secured under the Class 2 Indenture of Trust (the "Class 2 Indenture") by and between the Corporation and The Bank of New York Mellon, as Class 2 Indenture Trustee (the "Class 2 Indenture Trustee"), and the Corporation will assign certain of its rights under the Class 2 Loan Agreement, the Class 2 Building Loan Agreement, the Class 2 Notes and the related collateral to the Class 2 Indenture Trustee as security for the Class 2 Bonds and (iii) the Class 3 Bonds will be issued and secured under the Class 3 Indenture of Trust (the "Class 3 Indenture" and, together with the Class 1 Indenture and the Class 2 Indenture, the "Indentures") by and between the Corporation and The Bank of New York Mellon, as Class 3 Indenture Trustee (the "Class 3 Indenture Trustee" and, together with the Class 1 Indenture Trustee and the Class 2 Indenture Trustee, the "Indenture Trustees"), and the Corporation will assign certain of its rights under the Class 3 Loan Agreement, the Class 3 Building Loan Agreement, the Class 3 Notes and the related collateral to the Class 3 Indenture Trustee as security for the Class 3 Bonds; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the Class 3 Indenture as the form of agreement for each of the Indentures, a copy of which is annexed to this Resolution as Exhibit C; and

WHEREAS, (i) as collateral for the Class 1 Loan, pursuant to the Class 1 Building Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement and the Class 1 Project Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement (together, the "Class 1 Mortgages"), respectively, the Borrower will grant to the Corporation, as mortgagee, a first priority and a second priority mortgage lien on the Borrower's leasehold interest in the Tower 3 Facility, (ii) as collateral for the Class 2 Loan, pursuant to the Class 2 Building Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement and the Class 2 Project Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement (together, the "Class 2 Mortgages"), respectively, the Borrower will grant to the Corporation, as mortgagee, a third priority and a fourth priority mortgage lien on the Borrower's leasehold interest in the Tower 3

Facility and (iii) as collateral for the Class 3 Loan, pursuant to the Class 3 Building Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement (the "Class 3 Building Loan Mortgage") and the Class 3 Project Loan Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement (together, the "Class 3 Mortgages" and, collectively with the Class 1 Mortgages and the Class 2 Mortgages, the "Mortgages"), respectively, the Borrower will grant to the Corporation, as mortgagee, a sixth priority and a seventh priority mortgage lien on the Borrower's leasehold interest in the Tower 3 Facility; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the Class 3 Building Loan Mortgage as the form of agreement for each of the Mortgages, a copy of which is annexed to this Resolution as Exhibit D; and

WHEREAS, each of the Loans will be further secured by a separate pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower and a pledge and assignment of contracts relating to the Tower 3 Facility; and

WHEREAS, as further security for the Class 3 Loan, 3 WTC Mezz, LLC, an indirect parent company of the Borrower, will pledge to the Corporation 100% of the equity interests in 3 WTC Holdings LLC, the direct parent company of the Borrower (the "Direct Parent");

WHEREAS, pursuant to the Amended and Restated Tower 3 Tenant Support Agreement by and between the Port Authority of New York and New Jersey (the "Port Authority") and the Borrower (the "Tower 3 Tenant Support Agreement") (a copy of which is annexed to this Resolution as Appendix G-1 for informational purposes only), the Port Authority will provide (as a special limited obligation) a "financial backstop" to fund, subject to the limitations and conditions set forth therein, construction cost overruns, leasing cost overruns and operating expense deficits of the Tower 3 Facility and debt service shortfalls on the Class 1 Bonds and the Class 2 Bonds; and

WHEREAS, the Borrower's obligations under the Tower 3 Tenant Support Agreement will be (i) secured by a fifth priority mortgage lien on the Borrower's leasehold interest in the Tower 3 Facility, a pledge and assignment of all tenant leases and rents from the Tower 3 Facility, a lien and security interest in all personal property of the Borrower, a pledge and assignment of contracts relating to the Tower 3 Facility and a pledge by the Direct Parent to the Port Authority of 100% of the equity interests in the Borrower and (ii) guaranteed by the Direct Parent; and

WHEREAS, pursuant to the Multi-Party Acknowledgment Agreement by and among the Port Authority, the Class 1 Indenture Trustee and the Class 2 Indenture Trustee (a copy of which is annexed to this Resolution as Appendix G-2 for informational purposes only), each of the Class 1 Indenture Trustee and the Class 2 Indenture Trustee will have the right to make requisitions under the Tower 3 Tenant Support Agreement subject to the limitations and conditions set forth therein; and

WHEREAS, in order to further secure certain of the Borrower's payment obligations under the Loan Agreements and the Notes, the Borrower, the Indenture Trustees and Wells Fargo Bank, National Association (the "Cash Management Bank"), will enter into a Cash Management Agreement (the "Cash Management Agreement") (a copy of which is annexed to this Resolution as Appendix G-3 for informational purposes only), pursuant to which each of the Indenture Trustees will be granted a security interest in all of the accounts and funds established thereunder;

WHEREAS, in order to administer the Loan Agreements and the Notes, the Indenture Trustees, Wells Fargo Bank, National Association, as master servicer (the "Master Servicer"), Wells Fargo Bank, National Association, as special servicer appointed to represent the Class 1 Indenture Trustee on behalf of the Class 1 Bondholders and the Class 2 Indenture Trustee on behalf of the Class 2 bondholders (the "Senior Special Servicer"), and Trimont Real Estate Advisors, Inc., as the special servicer appointed to represent the Class 3 Indenture Trustee on behalf of the Class 3 bondholders (the "Class 3 Special Servicer"), will enter into a Servicing Agreement (the "Servicing Agreement") (a copy of which is annexed to this Resolution as Appendix G-4 for informational purposes only) pursuant to which: (i) each of the Indenture Trustees will assign to the Master Servicer and the Senior Special Servicer or the Class 3 Special Servicer, as applicable, the sole and exclusive right, subject to certain reserved rights, to administer, to take enforcement actions, to grant or withhold approvals and to exercise rights and remedies under the respective Loan Agreements; (ii) the Class 1 Bonds will have payment priority over the Class 2 Bonds and the Class 3 Bonds and the Class 2 Bonds will have payment priority to the Class 3 Bonds; (iii) the Master Servicer will administer all three Classes of Loans until an event of default has occurred, or is likely to occur, under any Loan Agreement, at which time the obligation to administer the related Loans will be transferred to the Senior Special Servicer or the Class 3 Special Servicer, as applicable; and (iv) in order to avoid conflicts that may result from differing interests among the three Classes of bondholders, certain decisions will be made by the special servicer representing the most senior Class of bondholders if more than one Class of Loans is in default and, in all other cases, by the Class 3 Special Servicer; and

WHEREAS, the Indenture Trustees and the Port Authority will enter into an Intercreditor Agreement (the "Intercreditor Agreement") (a copy of which is annexed to this Resolution as Appendix G-5 for informational purposes only), which will establish the respective payment priorities among the three Indenture Trustees and the Port Authority, provide for cure rights among the various creditors and govern the timing with respect to the exercise of remedies among them; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared a Preliminary Limited Offering Memorandum, a form of which is annexed to this Resolution as Exhibit E, and will cause to be prepared a Limited Offering Memorandum to be used in connection with the issuance and sale of the Series 2014 Bonds (collectively, the "Limited Offering Memorandum") and have negotiated the Bond Purchase Agreement for the Series 2014 Bonds (the "Bond Purchase Agreement") among the Corporation, the Borrower and

Goldman, Sachs & Co., as representative of the underwriters (collectively, the "Underwriters"), a copy of which is annexed to this Resolution as Exhibit F.

NOW, therefore, the Board of Directors of the Corporation, in accordance with the materials presented at this meeting, including the Board Memorandum and the Exhibits annexed to this Resolution (other than the Appendices attached to this Resolution for informational purposes only) (collectively, the "Materials"), upon motion duly made and seconded, duly adopts the following Resolution:

RESOLVED, that copies of the Materials are hereby ordered to be filed with the records of the Corporation and are deemed to be incorporated herein by reference; and further

RESOLVED, that each of the Loan Agreements, the Building Loan Agreements, the Indentures, the Mortgages and the Bond Purchase Agreement, in substantially the forms presented to this meeting, are hereby approved, and any Authorized Officer (as hereinafter defined) is hereby authorized and directed to execute and deliver the same on behalf of the Corporation, in such forms as are approved with such changes, supplements and amendments thereto as any Authorized Officer executing the same may approve, such approval to be conclusively evidenced by such Authorized Officer's execution thereof; and further

RESOLVED, that the Limited Offering Memorandum in substantially the form presented to this meeting is hereby approved, and the distribution of the Limited Offering Memorandum in connection with the sale of the Series 2014 Bonds, with such changes, supplements and amendments thereto as may be necessary or appropriate to reflect the documents and the matters described therein or as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution of the final Limited Offering Memorandum, is hereby authorized, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Corporation; and further

RESOLVED, that the amount, maturity or maturities, prices and yields, if any, and other terms of or relating to the Series 2014 Bonds, (the "Terms") insofar as set forth in the Indentures, are hereby approved, with the understanding that such Terms will be finalized in connection with the sale of the Series 2014 Bonds, which is expected to occur in October 2014, subject to the final approval of any Authorized Officer, such approval to be evidenced by such Authorized Officer's execution of each of the Indentures and the Bond Purchase Agreement and that all other documents relating to the Series 2014 Bonds shall similarly, as appropriate, be conformed thereto; provided that the aggregate principal amount of the Series 2014 Bonds, which may include up to \$100,000,000 of taxable Class 1 Bonds, shall not exceed \$1,781,550,000 (or such greater amount to accommodate original issue discount that may be required to market the Series 2014 Bonds but in any event not to exceed \$1,870,053,000), the final maturity shall not extend past November 15, 2049 and the interest rates to be borne by the Series 2014 Bonds shall not exceed a net interest cost of 12%; and further

RESOLVED, that in connection with the issuance of the Series 2014 Bonds, the Corporation hereby appoints the law firm of Winston & Strawn LLP as bond counsel, based on the following:

- (i) Bond Counsel's experience with tax-exempt financing and the Liberty Bond Program and the Recovery Zone Bond Program;
- (ii) the number of attorneys, their relevant experience and the manner in which responsibility for the proposed financing will be assigned by Bond Counsel;
- (iii) analysis of any potential conflicts of interest;
- (iv) Bond Counsel's facilities, including copying and word processing capacity and meeting areas; and
- (v) Bond Counsel's low fees in relation to their vast experience in the area of tax-exempt financing; and further

RESOLVED, that in connection with the issuance of the Series 2014 Bonds, the Corporation hereby appoints (i) The Bank of New York Mellon as Class 1 Indenture Trustee under the Class 1 Indenture, (ii) The Bank of New York Mellon as Class 2 Indenture Trustee under the Class 2 Indenture and (iii) The Bank of New York Mellon as Class 3 Indenture Trustee under the Class 3 Indenture; and further

RESOLVED, that Goldman Sachs & Co. shall serve as representative of the Underwriters in connection with the underwriting and sale of the Series 2014 Bonds, and shall be authorized to select the members of the underwriting syndicate, if any; provided that any co-managers selected are from the Corporation's list of approved underwriters in effect as of the date hereof; and further

RESOLVED, that, subject to the conditions set forth in the Bond Purchase Agreement, the Corporation shall sell and award the aggregate principal amount of the Series 2014 Bonds to the Underwriters; and further

RESOLVED, that the Corporation shall offer for sale, sell, issue and deliver the Series 2014 Bonds pursuant to the Bond Purchase Agreement and the Indentures and shall apply the proceeds thereof in accordance with the Indentures and certain documents and certificates to be delivered upon the issuance of the Series 2014 Bonds; and further

RESOLVED, that each of the Chairperson, Chief Financial Officer, President, Vice President and Treasurer of the Corporation, and any other person duly authorized to act in such capacity, is designated an "Authorized Officer;" and further

RESOLVED, that each of the Authorized Officers is hereby authorized and directed to approve and execute such documents, instruments and certificates, make any changes to the forms of the Loan Agreements (including any exhibits thereto), the Building Loan Agreements,

the Indentures, the Mortgages, the Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and all other related documents as he or she may reasonably deem necessary, desirable or appropriate to consummate the transactions authorized hereby and thereby, make such payments and take such other actions in the name of the Corporation and on its behalf, as he or she may reasonably deem necessary, desirable or appropriate to carry out the foregoing resolutions, including without limitation the execution, sale and delivery of the Series 2014 Bonds, the execution and delivery of the Tax Certificate and the negotiation and delivery of investment contracts, if any, relating to reinvestment of the proceeds of the Series 2014 Bonds and related moneys, the execution and delivery of any and all papers, instruments, opinions, certificates, affidavits, agreements and other documents necessary, desirable or appropriate to carry out the foregoing resolutions and that all actions heretofore taken in connection with the offering, sale and issuance of the Series 2014 Bonds by any Authorized Officer or his or her designee are hereby ratified and approved.

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