

INDENTURE

between

Fiscal Year 2005
Securitization Corporation

and

HSBC Bank USA, National Association, as Trustee

Dated as of December 1, 2004

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ARTICLE I

INTRODUCTION AND DEFINITIONS

Section 101. The Indenture and the Parties. This INDENTURE (the “Indenture”) is entered into as of December 1, 2004, by Fiscal Year 2005 Securitization Corporation (the “Corporation”), and HSBC Bank USA, National Association, as Trustee (the “Trustee”).

This Indenture provides for the following transactions:

- (a) the Corporation’s issue of the Bonds;
- (b) the Corporation’s transfer to the Escrow Holder and the City of the proceeds of the Bonds (excluding proceeds otherwise applied pursuant hereto); and
- (c) the Corporation’s assignment and pledge to the Trustee in trust for the benefit and security of the Bondholders of the Eligible Investments, Revenues, Accounts and assets thereof to be received and held hereunder, the rights to receive the same, and the other rights assigned and pledged herein, to the extent specified in this Indenture.

In consideration of the mutual agreements contained in this Indenture and other good and valuable consideration, the receipt of which is hereby acknowledged, the Corporation and the Trustee agree as set forth herein for their own benefit and for the benefit of the Beneficiaries, as aforesaid.

Section 102. Definitions and Interpretation. (a) In addition to terms defined elsewhere herein, the following terms have the following meanings in this Indenture, unless the context otherwise requires:

“Accounts” means the Collection Account, the Cost of Issuance Account and the Operating Account, which shall be segregated trust accounts established and held by the Trustee.

“Act” means the Not-For-Profit Corporation Law of the State, as in effect from time to time.

“Authorized Officer” means: (i) in the case of the Corporation, the President, the Treasurer, the Comptroller, the Secretary or an Assistant Secretary, the Finance Manager, their successors in office, and any other person authorized to act hereunder by appropriate Written Notice to the Trustee, and (ii) in the case of the Trustee, any officer assigned to the Corporate Trust Office having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Beneficiaries” means the Bondholders, and includes the Supplier as a beneficiary of Section 503(a) and the City as a beneficiary of Sections 301(c) and 409.

“Bondholders”, “Holders” and similar terms mean the registered owners of the Bonds from time to time as shown on the books of the Corporation.

“Bonds” means all obligations issued as Bonds pursuant to Article III, and includes portions of Bonds in authorized denominations.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which the City and banking institutions therein are required or authorized by law to be closed.

“City” means The City of New York

“Code” means the Internal Revenue Code of 1986, as amended.

“Collection Account” means such Account held by the Trustee pursuant to Section 501.

“Collection Account Investments” means Eligible Investments described in clauses (i), (ii), (iii), (iv), (vi) and (vii) of the definition thereof.

“Contract of Purchase” means the Bond Purchase Agreement, dated November 19, 2004, relating to the Bonds.

“Corporate Trust Office” means the office of the Trustee at which the corporate trust business of the Trustee related hereto shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at 452 Fifth Avenue, New York, NY 10018.

“Cost of Issuance Account” means such account held by the Trustee pursuant to Section 301.

“Costs of Issuance” means those costs that are payable from Bond proceeds with respect to operations of the Corporation, the authorization, sale and issuance of Bonds, deposits to Accounts, underwriting fees, auditors’ or accountants’ fees, printing costs, costs of reproducing documents, filing and recording fees, fees and expenses of fiduciaries, legal fees and charges, professional consultants’ fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, governmental charges, amounts specifically referenced as Costs of Issuance elsewhere herein, and other costs, charges and fees in connection with the foregoing.

“Counsel” means nationally recognized bond counsel or such other counsel as may be selected by the Corporation for a specific purpose hereunder.

“Debt Service” means interest, redemption premium, if any, on Bonds called for redemption, and principal (whether maturing, subject to mandatory redemption or called for optional redemption) due on Outstanding Bonds.

“Default” means an Event of Default without regard to any declaration, notice or lapse of time.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State, and includes any nominee of DTC in whose name any Bonds are then registered.

“Eligible Investments” means:

- (i) the Initial Investments;
- (ii) Qualifying Government Securities delivered pursuant to the Float Contract;
- (iii) non-callable direct obligations of the United States of America, non-callable and non-prepayable direct federal agency obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, non-callable direct obligations of the United States of America which have been stripped by the United States Treasury itself or by any Federal Reserve Bank and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form, and shall exclude investments in mutual funds and unit investment trusts;
- (iv) non-callable, non-prepayable obligations timely maturing and bearing interest (but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof) rated Aaa by Moody’s;
- (v) direct obligations of, or obligations guaranteed as to timely payment of principal and interest by, FHLMC, FNMA or the Federal Farm Credit System;
- (vi) certificates rated Aaa by Moody’s evidencing ownership of the right to the payment of the principal of and interest on obligations described in clause (iv), so long as such obligations are held in the custody of a bank or trust company in a segregated trust account in the trust department separate from the general assets of such custodian;
- (vii) bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (x) that are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (y) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (iii), (iv) or (vi) which fund may be applied only to the payment when due of such bonds or other obligations, and (z) that are rated triple-A by each Rating Agency;
- (viii) demand and time deposits in or certificates of deposit of, or bankers’ acceptances issued by, any bank or trust company, savings and loan association or savings bank, if such deposits or instruments are rated at least A-1 by S&P and the long-term unsecured debt obligations of the institution holding the related account has one of the two highest ratings available for such securities by Moody’s;
- (ix) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 270 days after the date of issuance thereof) that is rated at least A-1 by S&P and P-1 by Moody’s; and

(x) units of money market funds which funds are regulated investment companies and seek to maintain a constant net asset value per share and have been rated in one of the two highest categories by Moody's and at least AAm or AAm-G by S&P, including if so rated any fund for which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee charges and collects fees and expenses (not exceeding current income) from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to this Indenture, and (c) services performed for such funds and pursuant to this Indenture may converge at any time (the Corporation specifically authorizes the Trustee or an affiliate of the Trustee to charge and collect all fees and expenses from such funds for services rendered to such funds, in addition to any fees and expenses the Trustee may charge and collect for services rendered pursuant to this Indenture).

"Escrow Holder" means HSBC Bank USA, National Association, as Escrow Holder under the Advance Refunding Escrow Contract dated December 3, 1991, as amended, between the City and the Escrow Holder.

"Event of Default" means an event specified in Section 801.

"FHLMC" means the Federal Home Loan Mortgage Corporation.

"Fiduciary" means the Trustee and each Paying Agent.

"Fiscal Year" means the 12-month period ending each June 30.

"Fitch" means Fitch Ratings and its successors; references to Fitch are effective so long as Fitch is a Rating Agency.

"Float Contract" means the Forward Supply Contract dated as of September 11, 1992, between the Escrow Holder and Lehman Brothers Special Financing Inc.

"FNMA" means the Federal National Mortgage Association.

"Indenture" means this Indenture, including the Exhibits hereto, as amended, supplemented and in effect from time to time.

"Initial Investments" means \$1,472.26 in cash and the obligations listed in Exhibit 1.

"Majority in Interest" means the Holders of a majority of the Outstanding Bonds eligible to act on a matter, measured by face value at maturity.

"Moody's" means Moody's Investors Service and its successors; references to Moody's are effective so long as Moody's is a Rating Agency.

"Offering Circular" means the final offering circular, dated November 19, 2004, referred to in the Contract of Purchase.

“Officer’s Certificate” means a certificate signed by an Authorized Officer of the Corporation. An Officer’s Certificate delivered pursuant to Section 503(b) shall be accompanied by an opinion of Counsel to the effect that the directions comply with Section 409 and (if relating to the Collection Account) a Verification Report.

“Operating Account” means such Account held by the Trustee pursuant to Section 501.

“Operating Cap” means \$100,000 for each Fiscal Year.

“Operating Expenses” means all expenses incurred by the Corporation in the administration of the Corporation including trustee fees and expenses, salaries, administrative expenses, insurance premiums, auditing and legal expenses, fees and expenses incurred for professional consultants and fiduciaries, rating agency fees, fees, costs and expenses incurred pursuant to the Corporation’s certificate of incorporation, and all Operating Expenses so identified in this Indenture.

“Outstanding Bonds” means Bonds issued under this Indenture, excluding: (i) Bonds that have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment; (ii) Bonds that have been refunded or paid; (iii) Bonds that have become due and for the payment of which money has been duly provided; and (iv) for purposes of any consent or other action to be taken by a Majority in Interest or the Holders of a specified percentage of Bonds hereunder, Bonds held by or for the account of the Corporation, the City or any person controlling, controlled by or under common control with either of them. For the purposes of this definition, “control,” when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Paying Agent” means each Paying Agent designated from time to time pursuant to Section 603.

“Preliminary Offering Circular” means the preliminary offering circular, dated November 8, 2004, relating to the Bonds.

“Proceeding” means any suit, action or proceeding at law or in equity for the enforcement of the Undertaking or to remedy any breach thereof, except a remedial action pursuant to Article VIII.

“Qualifying Government Securities” means non-callable direct obligations of the United States of America, non-callable and non-prepayable direct federal agency obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, non-callable direct obligations of the United States of America which have been stripped by the United States Treasury itself, non-callable “CATS”, non-callable “TIGRS” and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form; in each case, maturing on the dates and in the amounts permitted by the Float Contract.

“Rating Agency” means each nationally recognized statistical rating organization that has, at the request of the Corporation, a rating in effect for the Bonds.

“Rating Confirmation” means evidence that no Bond rating in effect from a Rating Agency will be withdrawn or reduced solely as a result of an action to be taken hereunder.

“Record Date” means (a) for interest payable on the fifteenth day of a month, the last Business Day of the preceding calendar month, (b) for interest payable on the first day of a month, the fifteenth day of the preceding calendar month, or (c) such other date as may be specified by this Indenture or an Officer’s Certificate. The Corporation or the Trustee may in its discretion establish special record dates for the determination of the Holders of Bonds for various purposes hereof, including giving consent or direction to the Trustee. The Corporation shall cause the affected Bondholders to be notified of any Record Date other than a date specified in the applicable Bonds.

“Revenues” means the proceeds of the Collection Account Investments held in the Collection Account.

“S&P” means Standard & Poor’s Ratings Services and its successors; references to S&P are effective so long as S&P is a Rating Agency.

“Securities Depository” means DTC or another securities depository specified by Officer’s Certificate.

“State” means the State of New York.

“Sufficiency” and correlative terms mean that the cash and obligations in the Collection Account are at least sufficient, with investment earnings and without reinvestment, to provide for (i) the timely payment of all Debt Service due or to come due and (ii) the annual Operating Cap.

“Supplemental Indenture” means a supplement hereto that is effective in accordance with the terms hereof.

“Supplier” means the counterparty to the Float Contract.

“Trust Estate” means the Revenues and other collateral pledged to the Trustee hereunder.

“Undertaking” means the Corporation’s covenant in Section 405.

“Underwriters” means the municipal securities dealers named in the Contract of Purchase.

“Verification Report” means a report of Sufficiency provided by a firm of nationally recognized independent certified public accountants.

“Written Notice”, “written notice” or “notice in writing” means notice in writing which may be delivered by hand or first class mail and also means facsimile transmission.

(b) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture.

(c) 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.

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

(e) The terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms, as used in the body of this Indenture or in an Exhibit hereto, refer to such body (or to the Indenture as a whole if the context so indicates) or Exhibit; and the term “date hereof” means, the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of the Bonds.

(f) The word “including” means “including without limitation”.

(g) The word “or” is used in its inclusive sense.

(h) The phrase “form and tenor” includes maturity, interest rate, terms of redemption and series.

(i) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents or marginal notes 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.

(j) As used in this Indenture and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Indenture or in any such certificate or other document, and accounting terms partly defined in this Indenture or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Indenture or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Indenture or in any such certificate or other document shall control.

(k) Times of day are local time in the City.

(l) In the event that any provision of this Indenture shall be held to be invalid in any circumstance, such invalidity shall not affect any other provisions or circumstances.

(m) This Indenture shall be governed by the domestic law of the State.

Section 103. Directors, State and City Not Liable on Bonds. (a) Neither the members, directors or officers of the Corporation nor any person executing Bonds or other obligations of

the Corporation shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance thereof.

(b) The Bonds and other obligations of the Corporation shall not be a debt of either the State or the City, and neither the State nor the City shall be liable thereon, nor shall they be payable out of any funds other than those of the Corporation; and the Bonds shall contain on the face thereof a statement to such effect.

Section 104. Separate Accounts and Records. The parties represent and covenant, each for itself, that:

(a) The Corporation and the Trustee each will maintain its respective books, financial records and accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of each such entity; each has observed and will observe all applicable corporate or trust procedures and formalities, including, where applicable, the holding of regular periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings; and all transactions and agreements between the Corporation and the Trustee have reflected and will reflect the separate legal existence of each entity and have been and will be formally documented in writing.

(b) The Corporation has paid and will pay its liabilities and losses from its separate assets. In furtherance of the foregoing, the Corporation has compensated and will compensate all consultants, independent contractors and agents from its own funds for services provided to it by such consultants, independent contractors and agents.

ARTICLE II

PLEDGE

Section 201. Security and Pledge. The Corporation assigns and pledges to the Trustee in trust upon the terms hereof all of the Corporation's right, title and interest in, to and under the following property, whether now owned or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (a) the Eligible Investments held by the Trustee hereunder, (b) the Revenues, (c) all rights to receive the Revenues and the proceeds of such rights, (d) all Accounts and assets thereof, including money, contract rights, general intangibles or other personal property, held by the Trustee hereunder, and (e) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder; subject in each case to the application thereof in accordance with this Indenture. Except as specifically provided herein, this assignment and pledge does not include: (i) the rights of the Corporation pursuant to provisions for consent or other action by the Corporation, notice to the Corporation, indemnity or the filing of documents with the Corporation, or otherwise for its benefit and not for that of the Beneficiaries, or (ii) any right or power reserved to the Corporation pursuant to the Act or other law. The Corporation will implement, protect and defend this assignment and pledge by all appropriate legal action, the cost thereof to be an Operating Expense. The foregoing collateral is hereby pledged and a security interest is therein granted to secure the

payment of the Bonds. The lien of such pledge and the obligation to perform the contractual provisions hereof shall have priority over any or all other obligations and liabilities of the Corporation.

Section 202. Protection of Collateral. The Corporation shall from time to time execute and deliver all documents and instruments, and will take such other action, as is necessary or advisable to: (a) maintain or preserve the lien and security interest (and the priority thereof) of this Indenture; (b) perfect, publish notice of or protect the validity of any grant made or to be made by this Indenture; (c) preserve and defend title to the Trust Estate and the rights of the Trustee and the Bondholders in such collateral against the claims of all persons and parties, including the challenge by any party to the validity or enforceability of this Indenture or the performance by any party hereunder; (d) pay any and all taxes levied or assessed upon all or any part of the collateral; or (e) carry out more effectively the purposes of this Indenture. The Corporation shall file continuation statements to the extent necessary to preserve the priority and perfection of the lien hereof. The Corporation shall give Written Notice to Moody's in the event any portion of this Indenture is held invalid by a court of competent jurisdiction. Costs incurred pursuant to this Section shall be Operating Expenses.

ARTICLE III

THE BONDS

Section 301. Principal Amount and Terms. (a) Pursuant to the Indenture, an issue of Bonds is hereby authorized in the aggregate principal amount of \$498,845,000. Such Bonds shall be designated "Special Obligation Bonds". The Bonds shall be issued in fully registered form and shall be numbered from R-1 upwards. The Bonds shall be in the denomination (maturity value) of \$5,000 each or any integral multiple thereof (initially in denominations up to but not exceeding \$500,000,000 of each series, interest rate and maturity). The Bonds shall be dated their date of delivery, shall have the terms specified on Exhibit 2, and shall be issued substantially in the form of Exhibits 3A, 3B and 3C.

(b) The Bonds shall be redeemable prior to maturity in accordance with their terms.

(c) Upon its receipt of the proceeds of the Bonds, the Corporation shall cause such proceeds to be applied as specified on Exhibit 4. Subject to Exhibit 4, amounts in the Cost of Issuance Account shall be, as directed by Officer's Certificate, used to pay Costs of Issuance or released to the Corporation for application in accordance with law.

(d) The Bonds shall be executed in the name of the Corporation by the signature or facsimile signature of an Authorized Officer of the Corporation and the seal or a facsimile seal of the Corporation shall be impressed or imprinted thereon, and attested by the signature or facsimile signature of an Authorized Officer of the Corporation. The authenticating certificate of the Trustee shall be manually signed. Obligations executed as set forth above shall be valid and binding obligations when duly delivered, notwithstanding the fact that before the delivery thereof the persons executing the same shall have ceased to be in office or others may have been designated to perform such functions.

Section 302. Documents to be Delivered to Trustee. The Corporation may request the authentication and delivery of the Bonds by providing to the Trustee (at or prior to such authentication and delivery) the following:

- (a) an opinion of Counsel substantially to the effect of Exhibit 5;
- (b) such other documents as may be required hereby; and
- (c) an Officer's Certificate to the effect that the applicable conditions to the issuance of Bonds set forth herein have been met; and requesting the Trustee's authentication of the Bonds.

Section 303. Transfer, Conversion and Replacement of Bonds. (A) *Transfer.* A Bond shall be transferable upon presentation to the Trustee with a written transfer of title of the registered owner. Such transfer shall be dated, and signed by such registered owner, or his legal representatives, and shall be duly acknowledged or proved, or the signature certified as to its genuineness by an officer of a securities dealer, bank or trust company. The name of the transferee shall be entered in the books kept by the Trustee and

- (1) the transferee shall be provided with a new Bond, of substantially the same form and tenor as the Bond presented, except as provided below;
- (2) the new Bond shall be signed and attested, either (a) by manual or facsimile signature by the appropriate persons in office at the time of delivery to the transferee, or (b) by facsimile signature of the appropriate persons in office at the time of issuance;
- (3) the new Bond shall be executed as of the date of the Bond presented and shall be authenticated as of the date of delivery of the new Bond;
- (4) the Bond presented shall be cancelled and destroyed and a certificate of destruction shall be filed with the Corporation and the Trustee;
- (5) no interest shall be paid on a Bond until the name of the payee has been inserted therein and such Bond has been registered as provided herein; and
- (6) the principal of, redemption premium, if any, and interest on a Bond which has been registered shall be payable only to the registered owner, his legal representatives, successors or transferees.

(B) *Replacement.* The Corporation and the Trustee may issue a new Bond to replace one lost, destroyed, partially destroyed or defaced, in accordance with the following:

- (1) If the Bond is claimed to be lost or destroyed, the owner shall furnish:
 - (a) Proof of ownership.
 - (b) Proof of loss or destruction.

(c) Payment of the cost of preparing, issuing, mailing, shipping or insuring the new Bond.

(2) If the Bond is defaced or partially destroyed, the owner shall surrender such Bond and pay the cost of preparing and issuing the new Bond.

(3) The new Bond shall be of substantially the same form and tenor as the one originally issued, except that it shall be signed either by (a) the manual or facsimile signature of the appropriate person or persons in the office at the time of the reissuance, or (b) the facsimile signature of the appropriate person or persons in office at the time of the original issuance or any time between original issuance and reissuance. The new Bond shall be authenticated in the manner provided herein. If the Bond is issued in the place of one claimed to be lost or destroyed, it shall in addition state upon the back thereof that it is issued in the place of such Bond claimed to have been lost or destroyed. The Trustee shall make an appropriate entry in its records of any new Bond issued pursuant to this section.

Section 304. Securities Depositories. (a) *Immobilized Bonds.* The Bonds, upon original issuance, will be issued in the form of typewritten Bonds, to be delivered to the order of DTC by or on behalf of the Corporation. Such Bonds shall initially be registered in the name of DTC and no beneficial owner will receive a certificate representing an interest in any Bond, except as provided in Section 304(b). Unless and until Bonds have been issued to Holders other than DTC:

(1) the Corporation and each Fiduciary shall be entitled to deal with DTC for all purposes of this Indenture (including the payment of principal of and interest on such Bonds and the giving of notices, instructions or directions hereunder) as the sole Holder of such Bonds;

(2) the rights of beneficial owners shall be exercised only through DTC; and

(3) to the extent that the provisions of this Section 304(a) conflict with any other provisions of this Indenture except express terms of Section 405, the provisions of this section shall control; to the extent that the provisions of this section conflict with the express terms of Section 405, such Section 405 shall control.

(b) *Discontinuation of Book-Entry System.* DTC may determine to discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. In addition, if (1) the Corporation advises the Trustee in writing that DTC is no longer able to properly discharge its responsibilities with respect to the Bonds or a portion thereof, and the Corporation is unable to locate a qualified successor Securities Depository, (2) the Corporation at its option advises the Trustee in writing that it elects to terminate the book-entry system through DTC or (3) after the occurrence of any Event of Default, beneficial owners representing a Majority in Interest of the Bonds held by DTC advise DTC in writing that the continuation of a book-entry system through DTC is no longer in the best interests of the beneficial owners, then upon (a) satisfaction of the applicable procedures of DTC with respect thereto and (b) surrender to the Trustee of the typewritten Bonds by DTC, accompanied by registration instructions, the Corporation shall execute and provide to the Trustee, and the Trustee shall authenticate, Bonds in accordance with the instructions of DTC.

Neither the Corporation nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions.

ARTICLE IV

THE CORPORATION

Section 401. Contract; Obligations to Beneficiaries. (a) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the Corporation with the Beneficiaries. The pledge made in this Indenture and the covenants herein set forth to be performed by the Corporation shall be for the equal benefit, protection and security of the Bondholders and, to the extent set forth herein, the other Beneficiaries and the Fiduciaries. All of the Bonds shall be of equal rank without preference, priority or distinction of any thereof over any other except as expressly provided herein.

(b) The Corporation covenants to pay when due all sums payable on the Bonds, from the Revenues and money designated herein, subject only to this Indenture. The obligation of the Corporation to pay principal, interest and redemption premium, if any, to the Holders of Bonds shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, and shall not be subject to setoff, recoupment or counterclaim.

(c) The Corporation represents that it is duly authorized pursuant to law, including the Act, to create and issue the Bonds, to enter into this Indenture and to pledge the Revenues and other collateral purported to be pledged in the manner and to the extent provided herein. Except as otherwise provided in this Indenture, the Revenues and other collateral so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created hereby, and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions hereof are and will be the valid and binding obligations of the Corporation in accordance with their terms.

(d) The Corporation recites and represents to the Trustee for the benefit of the Beneficiaries that it has authorized this Indenture and that the Initial Investments, when deposited into the Collection Account, will be Sufficient.

Section 402. Operating Expenses. The Corporation shall pay its Operating Expenses. The Corporation may borrow money to pay, and repay such borrowings as, Operating Expenses. The aggregate amount of such outstanding borrowings shall be zero for at least 30 consecutive days of each Fiscal Year.

Section 403. Ratings. The Corporation shall pay such reasonable fees and provide such available information as may be necessary to obtain and keep in effect ratings on all the Bonds from at least two nationally recognized statistical rating organizations.

Section 404. Accounts and Reports. So long as any Bonds are outstanding, the Corporation shall:

(a) cause to be kept books of account in which complete and accurate entries shall be made of its transactions relating to all funds and accounts hereunder, which books shall at all reasonable times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 25% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing;

(b) annually, within 185 days after the close of each Fiscal Year, deliver to the Trustee and each Rating Agency, a copy (or notice of the electronic availability) of its financial statements for such Fiscal Year, as audited by an independent certified public accountant or accountants; and

(c) maintain an accurate and current schedule of all Debt Service to be payable during the life of then Outstanding Bonds.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Corporation's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 405. Continuing Disclosure Undertaking. If (and to the extent that) (i) the Bonds are purchased from the Corporation by a broker, dealer or municipal securities dealer (each a "Dealer") subject to Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "1934 Act"), (ii) the Rule requires Dealers to determine, as a condition to purchasing such Bonds, that the Corporation will covenant to the effect of this Section 405, and (iii) the Rule as so applied is authorized by federal law that as so construed is within the powers of Congress, *then* the Corporation covenants, for the sole benefit of the Holders (and, to the extent specified in this Section 405, the beneficial owners) of the Outstanding Bonds and subject (except to the extent otherwise expressly provided in this Section 405) to the remedial provisions of this Indenture, that:

(A) The Corporation shall provide (through the DisclosureUSA website maintained by the Municipal Advisory Council of Texas or otherwise): (1) within 350 days after the end of each Fiscal Year, to each nationally recognized municipal securities information repository and to any New York state information depository, core financial information and operating data for the prior Fiscal Year, including its audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time; and

(2) in a timely manner, to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board, and to any State information depository, notice of any of the following events with respect to such Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related Defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;

- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of Holders;
- (h) Bond calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds;
- (k) rating changes; and
- (l) failure to comply with clause (1) of this Section 405 (A).

(B) The Corporation does not undertake to provide such notice with respect to:

(1) credit enhancement if:

(a) the enhancement is added after the primary offering of the Bonds,

(b) the Corporation does not apply for or participate in obtaining the enhancement and

(c) the enhancement is not described in the applicable official statement of the Corporation;

(2) a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if:

(a) the terms, dates and amounts of redemption are set forth in detail in such official statement,

(b) the only open issue is which Bonds will be redeemed in the case of a partial redemption,

(c) notice of redemption is given to the Holders as required under the terms of this Indenture and

(d) public notice of the redemption is given pursuant to Release No. 23856 of the SEC under the 1934 Act, even if the originally scheduled amounts may be reduced by prior optional redemptions or purchases; or

(3) tax exemption other than pursuant to § 103 of the Code.

(C) In addition to the Trustee's and Holders' remedies specified in Article VIII, any beneficial owner of Bonds described in this Section 405 may bring a Proceeding to enforce the Undertaking set forth in this section without acting in concert if:

(1) such owner shall have filed with the Corporation:

- (a) evidence of beneficial ownership and
- (b) written notice of, and request to cure, the alleged breach,
- (2) the Corporation shall have failed to comply within a reasonable time, and
- (3) such beneficial owner stipulates that:

- (a) no challenge is made to the adequacy of any information provided in accordance with the Undertaking and

- (b) no remedy is sought other than substantial performance of the Undertaking. To the extent permitted by law, each beneficial owner agrees that all Proceedings shall be instituted only for the equal benefit of all such owners of the Outstanding Bonds.

(D) For the purposes of this section, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares investment power which includes the power to dispose, or to direct the disposition of, such security, except that a person who in the ordinary course of business is a pledgee of securities under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged securities until the pledgee has taken all formal steps to declare a default and determines that the power to dispose or to direct the disposition of such pledged securities will be exercised, provided that:

- (1) the pledge agreement is bona fide;
- (2) the pledgee is:
 - (a) a broker or dealer registered under § 15 of the 1934 Act;
 - (b) a bank as defined in § 3(a)(6) of the 1934 Act;
 - (c) an insurance company as defined in § 3(a)(19) of the 1934 Act;
 - (d) an investment company registered under § 8 of the Investment Company Act of 1940;
 - (e) an investment adviser registered under § 203 of the Investment Advisers Act of 1940;
 - (f) an employee benefit plan, or pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or an endowment fund;
 - (g) a parent holding company, provided the aggregate amount held directly by the parent, and directly and indirectly by its subsidiaries which are not

persons specified in items (a) through (f) of this clause (2) does not exceed 1% of the securities of the subject class; or

(h) a group, provided that all the members are persons specified in items (a) through (g) of this clause (2); and

(3) the pledge agreement, prior to default, does not grant to the pledgee the power to dispose or direct the disposition of the pledged securities, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended subject to Regulation T (12 CFR 220.1 to 220.8) and in which the pledgee is a broker or dealer registered under § 15 of the 1934 Act.

(E) Any Supplemental Indenture amending the Undertaking may only be entered into:

(1) if all or any part of the Rule, as interpreted by the staff of the SEC at the date hereof, ceases to be in effect for any reason and the Corporation elects that this Undertaking shall be deemed terminated or amended (as the case may be) accordingly, or

(2) if: (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Corporation, or type of business conducted,

(b) the Undertaking, as amended, would have complied with the requirements of the Rule at the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances,

(c) the amendment does not materially impair the interests of the Holders or beneficial owners of the affected Bonds, as determined by parties unaffiliated with the Corporation (such as, but without limitation, the Corporation's financial advisor or bond counsel) or by Holder consent pursuant to Section 901 of this Indenture, and

(d) the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the staff of the SEC to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided.

Section 406. Affirmative Covenants. So long as any Bonds are outstanding: (A) *Maintenance of Existence*. The Corporation shall keep in full effect its existence, rights and franchises as a not-for-profit corporation under the laws of the State.

(B) *Performance of Obligations*. The Corporation (1) shall diligently pursue any and all actions to enforce its rights under each instrument or agreement included in the collateral and (2) shall not take any action and will use its best efforts not to permit any action to be taken by others that would release any person from any of such person's covenants or obligations under any such instrument or agreement or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except, in each case, as expressly provided in this Indenture.

(C) *Notice of Events of Default.* The Corporation shall give the Trustee and Rating Agencies prompt written notice of each Event of Default under this Indenture.

Section 407. Negative Covenants. So long as any Bonds are outstanding: (A) *Sale of Assets.* Except as expressly permitted by this Indenture, the Corporation shall not sell, transfer, exchange or otherwise dispose of any of its properties or assets that are pledged under this Indenture.

(B) *Liquidation.* The Corporation shall not terminate its existence or dissolve or liquidate in whole or in part.

(C) *Limitation of Liens.* The Corporation shall not (1) permit the validity or effectiveness of the Indenture to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any person to be released from any covenants or obligations with respect to the Bonds under this Indenture except as may be expressly permitted hereby, (2) except as provided in this Indenture, permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance to be created on or extend to or otherwise arise upon or burden the collateral or any part thereof or any interest therein or the proceeds thereof or (3) permit the lien of this Indenture to secure the payment of the Bonds not to constitute a valid and perfected first priority security interest in the Trust Estate, subject only to the application of the Trust Estate in accordance with the Indenture.

(D) *Limitations on Consolidation, Merger, Sale of Assets, etc.* Except as otherwise provided in this Indenture, the Corporation shall not consolidate or merge with or into any other person, or convey or transfer all or substantially all of its properties or assets, unless:

(1) the person surviving such consolidation or merger (if other than the Corporation) or the transferee is organized and existing under the laws of the United States or any state and expressly assumes the due and punctual payment of the principal of and premium, if any, and interest on all Bonds and the performance or observance of every agreement and covenant of the Corporation in this Indenture;

(2) immediately after giving effect to such transaction, no Default has occurred and is continuing under this Indenture;

(3) the Corporation has received Rating Confirmation;

(4) the Corporation has received an opinion of Counsel to the effect that such transaction will not have material adverse tax consequence to the Corporation or any Bondholder;

(5) any action as is necessary to maintain the lien and security interest created by this Indenture has been taken; and

(6) the Corporation has delivered to the Trustee an Officer's Certificate and an opinion of Counsel to the effect that such transaction complies with this Indenture and that all conditions precedent to such transaction have been complied with.

(E) *No Other Business.* The Corporation shall not engage in any business other than financing, purchasing, owning and managing the collateral in the manner contemplated by this Indenture and activities incidental thereto.

(F) *No Borrowing.* The Corporation shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except the Bonds and borrowings to pay Operating Expenses pursuant to Section 402.

(G) *Guarantees, Loan, Advances and Other Liabilities.* Except as otherwise contemplated by this Indenture, the Corporation shall not make any loan or advance of credit to, or guarantee (directly or indirectly or by an instrument having the effect or assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stock or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

(H) *Restricted Payments.* The Corporation shall not, directly or indirectly, make payments to or distributions from the Accounts except in accordance with this Indenture.

(I) *Directors.* The Corporation shall not amend its charter or by-laws to eliminate the requirement of a director who is independent of the City.

Section 408. Prior Notice. The Corporation shall give Fitch, Moody's and S&P written notice of each Supplemental Indenture as soon as practicable.

Section 409. Covenant to Protect Tax-Exempt Bonds. The City has previously issued its General Obligation Bonds, Fiscal 1992 Series B (the "1992B Bonds"), for the purpose of refunding certain general obligation bonds previously issued by the City (the "Prior Bonds"). The City has also issued its General Obligation Bonds from time to time to refund portions of the 1992B Bonds (the "Refunding Bonds" and, collectively with the 1992B Bonds and the Prior Bonds, the "Tax-Exempt Bonds"). The Corporation covenants that it shall not take any action which will, or fail to take any action which failure will, cause the interest on the Tax-Exempt Bonds to become includable in the gross income of the owners of the Tax-Exempt Bonds for Federal income tax purposes pursuant to the Code and the regulations promulgated thereunder.

Section 410. Opinions as to Trust Estate. On or before December 1 in each year beginning in 2005, the Corporation will furnish to the Trustee an opinion of Counsel either stating that, in the opinion of such Counsel, such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as is necessary to maintain the lien and security interest created by this Indenture with respect to the Trust Estate and reciting the details of such action as is necessary to maintain such lien and security interest. Such opinion of Counsel shall also describe the recording, filing, re-recording, and re-filing of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such Counsel, be

required to maintain the lien and security interest of this Indenture with respect to the Trust Estate until December 1 in the following calendar year.

ARTICLE V

FLOW OF FUNDS

Section 501. Application of Revenues. (a) Except as otherwise specified in this Indenture, all Eligible Investments and Revenues shall be deposited and held in the Collection Account until applied hereunder. Revenues shall be applied:

- (1) pursuant to Section 503;
 - (2) to the Operating Account in an amount specified by Officer's Certificate, not exceeding with other transfers in the same Fiscal Year the Operating Cap, nor in such amount as will impair Sufficiency;
 - (3) to the payment of Debt Service when due in same-day funds and the purchase of Bonds pursuant to Section 502(b); and
 - (4) in any event that the money and obligations in the Collection Account are more than Sufficient, the Corporation may, by Officer's Certificate accompanied by a Verification Report, direct the Trustee to transfer such excess to the Operating Account or to the Corporation for application in accordance with law.
- (b) Amounts in the Operating Account shall be, as directed by Officer's Certificate, used to pay Operating Expenses or released to the Corporation for application in accordance with law.
- (c) Proceeds of Eligible Investments in the Cost of Issuance Account and the Operating Account shall be deposited in the Cost of Issuance Account and the Operating Account, respectively.

Section 502. Redemption of the Bonds. (a) The Corporation may redeem Bonds pursuant to Section 502(b) in accordance with their terms and shall redeem Bonds in accordance with their terms pursuant to any mandatory redemption ("sinking fund") requirements established for the Bonds. When Bonds are called for redemption, the accrued interest thereon shall become due on the redemption date. If money for the redemption of called Bonds is held by the Trustee or Paying Agent at the redemption date, interest thereon shall cease to accrue.

(b) Upon direction by Officer's Certificate, received by the Trustee at least 5 Business Days prior to the day when the Trustee is required to give notice pursuant to Section 5.02(c) and subject to delivery of a Verification Report, the Trustee shall apply money in the Collection Account to the optional redemption of Bonds or the purchase of Bonds for cancellation, but not with money required to pay Debt Service on Bonds not being so redeemed or purchased.

(c) When a Bond is to be redeemed prior to maturity, the Trustee shall give notice in the name of the Corporation, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and state that such Bonds will be redeemed at a designated office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with any appropriate provisions hereof, to the registered owners of any Bonds which are to be redeemed, at their addresses shown on the registration books of the Corporation. Such notice may be waived by any Holder of Bonds to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond.

(d) Subject to the terms of any book-entry system in effect pursuant hereto, in the event that only a portion of a Bond is to be redeemed, upon presentation and surrender of such Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, without charge to the owner thereof, a new Bond of substantially the same form and tenor as the Bond presented, for the unredeemed balance of the principal thereof.

Section 503. Investments. (a) Pending its use under this Indenture, money in the Collection Account shall be invested pursuant to the Float Contract and money in the Accounts may be invested by the Trustee, pursuant to an Officer's Certificate, in Eligible Investments maturing or redeemable at the option of the holder at or before the time when such money is expected to be needed, and in amounts not less than their respective purchase prices. Money in the Collection Account shall be invested only in Collection Account Investments.

(b) The Trustee shall have no independent power or duty to invest any money held hereunder (except pursuant to the Float Contract) or, except as directed by an Officer's Certificate, to make substitution of Eligible Investments held hereunder or to sell, transfer, or otherwise dispose of Eligible Investments acquired hereunder.

Section 504. Unclaimed Money. Except as may otherwise be required by applicable law, in case any money deposited with the Trustee or a Paying Agent for the payment of the principal of, or interest or premium, if any, on any Bond remains unclaimed for two years after such principal, interest or premium has become due and payable, the Fiduciary may and upon receipt of a written request of the Corporation will pay over to the Corporation the amount so deposited and thereupon the Fiduciary shall be released from any further liability hereunder with respect to the payment of principal, interest or premium and the owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Corporation as an unsecured creditor for the payment thereof.

ARTICLE VI

THE FIDUCIARIES

Section 601. Trustee's Organization, Authorization, Capacity and Responsibility. (a) The Trustee represents and warrants that it is duly organized and validly existing under the laws of the United States of America with the powers of a trust company in the State, including the capacity to exercise the powers and duties of the Trustee hereunder, and that by proper corporate action it has duly authorized the execution and delivery of this Indenture.

(b) The duties and responsibilities of the Trustee shall be as provided by law and as set forth herein. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

(c) As Trustee hereunder:

(1) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any Officer's Certificate, opinion of Counsel (or both), resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(2) before the Trustee acts or refrains from acting, it may require an Officer's Certificate and/or an opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion. Whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting to take any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence, bad faith or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee, and such certificate, in the absence of negligence, bad faith or willful misconduct on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted to be taken by it under the provisions of this Indenture upon the faith thereof;

(3) any request, direction, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any Corporation resolution may be evidenced to the Trustee by a copy thereof certified by an Authorized Officer of the Corporation;

(4) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, Officer's Certificate, opinion of Counsel, Corporation resolution, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by a Majority in Interest of the Bonds affected and then Outstanding; and if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require indemnity satisfactory to it against such costs, expenses or liabilities as a condition to proceeding; and

(5) the Trustee shall not be deemed to have notice of a Default or Event of Default under Section 8.01(b) or (c) unless either the Trustee has received written notice thereof from the Corporation or any Holder of Bonds or an Authorized Officer of the Trustee shall have actual knowledge thereof.

Section 602. Rights and Duties of the Fiduciaries. (a) All money and investments received by the Fiduciaries under this Indenture shall be held in trust, in a segregated trust account in the trust department of such Fiduciary, not commingled with any other funds, and applied solely pursuant to the provisions hereof.

(b) The Fiduciaries shall keep proper accounts of their transactions hereunder (separate from their other accounts), which shall be open to inspection on reasonable notice by the Corporation and its representatives duly authorized in writing.

(c) The Fiduciaries shall not be required to monitor the financial condition of the Corporation and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with them hereunder, except to make them available for inspection by Beneficiaries.

(d) Each Fiduciary shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. Each Fiduciary may rely conclusively on any notice, certificate or other document furnished to it under this Indenture and reasonably believed by it to be genuine. A Fiduciary shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under this Indenture or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by a Fiduciary is called for by this Indenture, the Fiduciary may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act.

(e) The Fiduciaries shall in no event be liable for the application or misapplication of funds, or for other acts or failures to act, by any person, firm or corporation except by their respective directors, officers, agents, and employees. No recourse shall be had for any claim

based on this Indenture or the Bonds against any director, officer, agent or employee of any Fiduciary unless such claim is based upon the bad faith, fraud or deceit of such person.

(f) Nothing in this Indenture shall obligate any Fiduciary to pay any debt or meet any financial obligations to any person in relation to the Bonds except from money received for such purposes under the provisions hereof or from the exercise of the Trustee's rights hereunder.

(g) The Fiduciaries may be or become the owner of or trade in the Bonds with the same rights as if they were not the Fiduciaries.

(h) The Fiduciaries shall not be required to furnish any bond or surety.

(i) The Corporation shall, as and only as an Operating Expense, indemnify and save each Fiduciary harmless against any expenses and liabilities (including reasonable legal fees and expenses) that it may incur in the exercise of its duties hereunder and that are not due to its negligence, bad faith or willful misconduct. This paragraph (i) shall survive the discharge of the Indenture or the earlier resignation or removal of such Fiduciary.

(j) Any fees, expenses, reimbursements or other charges which any Fiduciary may be entitled to receive from the Corporation hereunder, if not otherwise paid, shall be a lien upon (but only upon) any funds held in the Operating Account.

(k) Nothing herein shall relieve any Fiduciary of responsibility for its negligence, bad faith or willful misconduct.

(l) The Fiduciaries undertake to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Fiduciaries.

(m) The permissive rights of the Fiduciaries enumerated herein shall not be construed as duties.

Section 603. Paying Agents. The Corporation designates the Trustee a Paying Agent. The Corporation may appoint additional Paying Agents, generally or for specific purposes, may discharge a Paying Agent from time to time and may appoint a successor, in each case with written notice to Moody's and Fitch. The Corporation shall designate a successor if the Trustee ceases to serve as Paying Agent. Each Paying Agent shall be a bank or trust company eligible under the laws of the State, and shall have a capital and surplus of not less than \$50,000,000 and be registered as a transfer agent with the Securities and Exchange Commission. The Corporation shall give notice of the appointment of a successor to the Trustee as Paying Agent in writing to each Beneficiary shown on the books of the Trustee. A Paying Agent may but need not be the same person as the Trustee. Unless otherwise provided by the Corporation, the Trustee as Paying Agent shall act as registrar and transfer agent, in accordance with Sections 303 and 304.

Section 604. Resignation or Removal of the Trustee. The Trustee may resign on not less than 30 days' written notice to the Corporation, the Holders, Moody's and Fitch. The Trustee will promptly certify to the Corporation that it has given such notice and such certificate will be conclusive evidence that such notice was given as required hereby. The Trustee shall be

removed if rated below investment grade by Moody's or Fitch and each successor Trustee shall have an investment grade rating from Moody's and Fitch. The Trustee may be removed by written notice from the Corporation (if not in Default) or a Majority in Interest of the Outstanding Bonds to the Trustee and the Corporation. Such resignation or removal shall not take effect until a successor has been appointed and has accepted the duties of Trustee.

Section 605. Successor Fiduciaries. (a) Any corporation or association which succeeds to the related corporate trust business of a Fiduciary as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights, powers and duties thereof under this Indenture, without any further act or conveyance.

(b) In case a Fiduciary resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of a Fiduciary or of its property is appointed, or if a public officer takes charge or control of a Fiduciary, or of its property or affairs, then such Fiduciary shall with due care terminate its activities hereunder and a successor may, or in the case of the Trustee shall, be appointed by the Corporation. The Corporation shall notify the Holders and Moody's of the appointment of a successor Trustee in writing within 20 days from the appointment. The Corporation will promptly certify to the successor Trustee that it has given such notice and such certificate will be conclusive evidence that such notice was given as required hereby. If no appointment of a successor Trustee is made within 45 days after the giving of written notice in accordance with Section 604 or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee appointed under this section shall be a trust company or a bank having the powers of a trust company, located in the State, having a capital and surplus of not less than \$50,000,000. Any such successor Trustee shall notify the Corporation of its acceptance of the appointment and, upon giving such notice, shall become Trustee, vested with all the property, rights, powers and duties of the Trustee hereunder, without any further act or conveyance. Such successor Trustee shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession hereunder and any predecessor Trustee shall from time to time execute, deliver, record and file such instruments as the incumbent Trustee may reasonably require to confirm or perfect any succession hereunder.

Section 606. Nonpetition Covenant. Notwithstanding any prior termination of this Indenture, no Fiduciary shall, prior to the date which is one year and one day after the termination of this Indenture, acquiesce, petition or otherwise invoke or cause the Corporation to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Corporation under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Corporation or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Corporation.

Section 607. Float Contract. The Trustee will not amend the Float Contract unless so directed by the Corporation, which direction shall not be given if the proposed amendment

would be materially adverse to the Bondholders. In the event of any inconsistency between this Indenture and the Float Contract, this Indenture shall prevail.

Section 608. Compensation and Costs of Defense. (a) The Corporation shall pay to the Trustee and any successor Trustee from time to time such compensation for its services as shall from time to time be agreed to in writing by the Corporation and the Trustee. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Corporation shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Corporation hereby indemnifies and holds harmless the Trustee, any successor Trustee and their respective officers, directors, employees and agents (each an "Indemnified Party") from and against the cost of defending any and all third party claims and liabilities whatsoever that such Indemnified Party may incur (or may be claimed against such Indemnified Party by any person whatsoever) (i) by reason of any untrue statement or alleged untrue statement of any material fact contained or included by specific reference in the Offering Circular, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading, or (ii) by reason of or in connection with the execution and performance of this Indenture, but (x) the Corporation shall not be required to indemnify such Indemnified Party for any costs of defending third party claims or liabilities to the extent, but only to the extent, such claims or liabilities arise due to the willful misconduct, negligence or bad faith of an Indemnified Party or are attributable to information concerning the Trustee provided by the Trustee in writing expressly for use in the Offering Circular, and (y) unless there is an actual or potential conflict with respect to the legal defenses available to the Corporation and an Indemnified Party, the Corporation may discharge its obligations hereunder by diligently defending such Indemnified Party, which defense shall be conducted by counsel reasonably acceptable to such Indemnified Party and the Corporation. An Indemnified Party will promptly notify the Corporation upon becoming aware of any claims or liabilities giving rise to a right to indemnification hereunder and will cooperate with the Corporation in the defense of such claims or liabilities. Nothing in this Section is intended to limit the Corporation's obligations contained in other parts of this Indenture.

(b) To secure the Corporation's payment obligations in this Section, the Trustee shall have a lien on all money or property held in the Operating Account.

(c) The provisions of this Section shall survive the resignation or removal of the Trustee and the discharge of this Indenture. If the Trustee incurs expenses after the occurrence of an Event of Default specified in Section 8.01(c), the expenses are intended to constitute expenses of administration in the insolvency proceeding.

ARTICLE VII

THE HOLDERS

Section 701. Action by Holders. Any request, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Bonds may

be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Holders or their attorneys duly 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 herein expressly provided) if made in the following manner, but the Corporation or the Trustee 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 instrument may be proved by the certificate or signature guarantee, which need not be acknowledged or verified, of an officer of a bank, trust company or securities dealer satisfactory to the Corporation or to the Trustee; or of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof; or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or secretary. Any action of the Holder of any Bond shall be irrevocable and bind all future record and beneficial owners thereof.

Section 702. Registered Owners. The enumeration in Section 304(a) of certain provisions applicable to DTC as Holder of immobilized Bonds shall not be construed in limitation of the rights of the Corporation and each Fiduciary to rely upon the registration books in all circumstances and to treat the registered owners of Bonds as the owners thereof for all purposes not otherwise specifically provided for by law or in this Indenture. Notwithstanding any other provisions hereof, any payment to the registered owner of a Bond shall satisfy the Corporation's obligations thereon to the extent of such payment.

Section 703. Tax Characterization. The Corporation will, and by its acceptance of a Bond or an interest therein, each holder of a Bond or an interest therein will be deemed to agree to, treat the Bonds as debt of the Corporation for federal income tax purposes.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 801. Events of Default. "Event of Default" in this Indenture means any one of the events set forth below:

- (a) failure to pay Debt Service when due;
- (b) failure of the Corporation to observe or perform any other provision of this Indenture which is not remedied within 30 days after written notice thereof is given to the Corporation by the Trustee or to the Corporation and the Trustee by the Holders of at least 25% in principal amount of the Bonds then Outstanding, if a Majority in Interest of the Bonds declares such failure to be an Event of Default; or

(c) bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors, are instituted by or against the Corporation and, if instituted against the Corporation, are not dismissed within 60 days after such institution.

Section 802. Remedies. (A) *Remedies of the Trustee.* If an Event of Default occurs and is continuing: (1) The Trustee may, and upon written request of the Holders of 25% in principal amount of the Bonds Outstanding shall, in its own name by action or proceeding in accordance with the Civil Practice Law and Rules:

(a) enforce all rights of the Holders and require the Corporation to carry out its agreements with the Holders;

(b) sue upon the Bonds;

(c) require the Corporation to account as if it were the trustee of an express trust for the Holders of the Bonds; and

(d) enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

(2) The Trustee shall, in addition to the other provisions of this Section, have and possess all of the powers necessary or appropriate for the exercise of any functions incident to the general representation of Holders in the enforcement and protection of their rights.

(3) Upon a Default of the Corporation under Section 801(a) or a failure actually known to an Authorized Officer of the Trustee to make any other payment required hereby within 7 days after the same becomes due and payable, the Trustee shall give written notice thereof to the Corporation. The Trustee shall give Default notices under paragraphs (b) and (c) of Section 801 when instructed to do so by the written direction of the Holders of at least 25% in principal amount of the Outstanding Bonds. The Trustee shall proceed under this Section 802 for the benefit of the Holders in accordance with the written direction of a Majority in Interest of the Outstanding Bonds. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to it is furnished for any expense or liability to be incurred therein. Upon receipt of written notice, direction and indemnity, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedies provided by this Indenture or any such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Holders, and shall act for the protection of the Holders with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

(B) *Individual Remedies.* No one or more Holders shall by his or their action affect, disturb or prejudice the pledge created by this Indenture, or enforce any right under this Indenture, except in the manner herein provided; and all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided herein and for the equal benefit of all Holders; but nothing in this Indenture shall affect or impair the right of any Holder of any Bond to enforce payment of the principal of, premium, if

any, or interest thereon at and after the same comes due pursuant to this Indenture, or the obligation of the Corporation to pay such principal, premium, if any, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner expressed herein and in the Bonds.

(C) *Venue.* The venue of every action, suit or special proceeding against the Corporation shall be laid in the County of New York.

(D) *Waiver.* If the Trustee determines that a Default has been cured before becoming an Event of Default and before the entry of any final judgment or decree with respect to it, the Trustee may waive the Default and its consequences, by written notice to the Corporation, and shall do so upon written instruction of the Holders of at least 25% in principal amount of the Outstanding Bonds.

Section 803. Remedies Cumulative. The rights and remedies under this Indenture shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Corporation or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance by the Corporation or of the right to exercise any remedy for the violation.

Section 804. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given hereby or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

ARTICLE IX

MISCELLANEOUS

Section 901. Supplements and Amendments to the Indenture. (A) This Indenture may be:

(1) supplemented by delivery to the Trustee of an instrument certified by an Authorized Officer of the Corporation to (a) provide for earlier or greater deposits into the Collection Account, (b) subject any property to the lien hereof, (c) add to the covenants and agreements of the Corporation or surrender or limit any right or power of the Corporation, (d) identify particular Bonds for purposes not inconsistent herewith, (e) cure any ambiguity or defect, (f) comply with the federal securities laws or protect any exemption applicable to the Corporation, this Indenture or the Bonds; or

(2) amended by the Corporation and the Trustee, (a) to add provisions (for the refunding of Bonds or otherwise) that are not materially adverse to the Holders, or (b) pursuant to the following paragraph (B).

(B) Except as provided in the foregoing paragraph (A), this Indenture may be amended:

(1) only with written notice to the Rating Agencies and the written consent of a Majority in Interest of the Bonds to be Outstanding at the effective date thereof and affected thereby; but

(2) only with the unanimous written consent of the affected Holders for any of the following purposes: (a) to extend the maturity of any Bond, (b) to reduce the principal amount, applicable premium or interest rate of any Bond, (c) to make any Bond redeemable other than in accordance with its terms, (d) to create a preference or priority of any Bond over any other Bond or (e) to reduce the percentage of the Bonds required to be represented by the Holders giving their consent to any amendment.

(C) Any supplement to or amendment of this Indenture shall be accompanied by an opinion of Counsel to the effect that the supplement or amendment is permitted by law and complies with this Indenture.

(D) When the Corporation determines that the requisite number of consents have been obtained for an amendment hereto that requires consents, it shall file a certificate to that effect in its records and give notice to the Trustee. The Trustee will promptly give written notice to all affected Holders and certify to the Corporation that it has given such notice, which certificate will be conclusive evidence that such notice was given in the manner required hereby.

Section 902. Further Authority. Without limiting authority elsewhere conferred, the Authorized Officers of the Corporation and each of them are hereby designated to execute and deliver such documents, agreements, instruments and certifications as may be necessary to give effect to this Indenture; and authorized to execute, or authorize or ratify the distribution of, the Contract of Purchase, Preliminary Offering Circular and Offering Circular. All preparatory actions previously taken by such Authorized Officers are hereby ratified.

Section 903. Notices. Unless otherwise expressly provided, all notices to the Corporation or the Trustee shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered during business hours as follows: (a) to the Corporation at 75 Park Place, New York, N.Y. 10007, attention of the President, and (b) to the Trustee at 452 Fifth Avenue, New York, NY 10018, attention of the Corporate Trust Department, or, as to all of the foregoing, to such other address as the addressee shall have indicated by prior written notice to the one giving notice. All notices to a Holder shall be in writing and (without limitation) shall be deemed sufficiently given if sent by mail, postage prepaid, to the Holder at the address shown on the registration books. A Holder may direct the registrar to change such Holder's address as shown on the registration books by written notice to the registrar.

Notice hereunder may be waived prospectively or retrospectively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

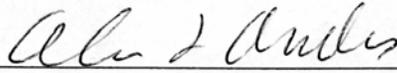
Section 904. Beneficiaries. This Indenture is not intended for the benefit of and shall not be construed to create rights in parties other than the Corporation, the Fiduciaries and the Beneficiaries.

Section 905. Signatures and Counterparts. This Indenture may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

SIGNATURES

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed all as of the date first above written.

FISCAL YEAR 2005 SECURITIZATION
CORPORATION

By: 
Name: Alan L. Anders
Title: Vice President

HSBC BANK USA, NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Marcia Markowski
Title: Vice President

Initial Investments

CUSIP	Par	Description	Maturity	Coupon
76116EEP1	\$23,531,000.00	RESOLUTION FUND CORP STRIPS	01/15/2005	0.000%
222655FG2	19,000,020.00	TIGER GR	02/15/2005	0.000%
76116EBG4	2,535,000.00	RESOLUTION FUND CORP STRIPS	04/15/2005	0.000%
894643TY1	205,000.00	TIGER GR	05/15/2005	0.000%
76116EEQ9	15,271,000.00	RESOLUTION FUND CORP STRIPS	07/15/2005	0.000%
222655FH0	11,992,680.00	TIGER GR	08/15/2005	0.000%
76116EBH2	20,800,000.00	RESOLUTION FUND CORP STRIPS	10/15/2005	0.000%
76116EER7	9,948,000.00	RESOLUTION FUND CORP STRIPS	01/15/2006	0.000%
222655FJ6	32,920,020.00	TIGER GR	02/15/2006	0.000%
76116EBJ8	2,107,000.00	RESOLUTION FUND CORP STRIPS	04/15/2006	0.000%
76116EES5	25,527,000.00	RESOLUTION FUND CORP STRIPS	07/15/2006	0.000%
222655FK3	3,000,000.00	TIGER GR	08/15/2006	0.000%
76116EBK5	18,941,000.00	RESOLUTION FUND CORP STRIPS	10/15/2006	0.000%
222655RX2	1,227,016.25	TIGER GR	11/15/2006	0.000%
76116EET3	16,021,000.00	RESOLUTION FUND CORP STRIPS	01/15/2007	0.000%
76116EBL3	1,475,000.00	RESOLUTION FUND CORP STRIPS	04/15/2007	0.000%
76116EEU0	13,788,000.00	RESOLUTION FUND CORP STRIPS	07/15/2007	0.000%
76116EBM1	7,975,000.00	RESOLUTION FUND CORP STRIPS	10/15/2007	0.000%
76116EEV8	2,554,000.00	RESOLUTION FUND CORP STRIPS	01/15/2008	0.000%
222655FN7	6,059,160.00	TIGER GR	02/15/2008	0.000%
76116EBN9	1,248,000.00	RESOLUTION FUND CORP STRIPS	04/15/2008	0.000%
76116EEW6	18,260,000.00	RESOLUTION FUND CORP STRIPS	07/15/2008	0.000%
222655FP2	2,852,640.00	TIGER GR	08/15/2008	0.000%
76116EBP4	1,248,000.00	RESOLUTION FUND CORP STRIPS	10/15/2008	0.000%
76116EEX4	8,191,000.00	RESOLUTION FUND CORP STRIPS	01/15/2009	0.000%
76116EBQ2	1,248,000.00	RESOLUTION FUND CORP STRIPS	04/15/2009	0.000%
76116EEY2	11,870,000.00	RESOLUTION FUND CORP STRIPS	07/15/2009	0.000%
76116EBR0	1,248,000.00	RESOLUTION FUND CORP STRIPS	10/15/2009	0.000%
76116EEZ9	10,052,000.00	RESOLUTION FUND CORP STRIPS	01/15/2010	0.000%
76116EBS8	1,248,000.00	RESOLUTION FUND CORP STRIPS	04/15/2010	0.000%
76116EFA3	11,652,000.00	RESOLUTION FUND CORP STRIPS	07/15/2010	0.000%
76116EBT6	1,248,000.00	RESOLUTION FUND CORP STRIPS	10/15/2010	0.000%
76116EFB1	11,814,000.00	RESOLUTION FUND CORP STRIPS	01/15/2011	0.000%
76116EBU3	1,248,000.00	RESOLUTION FUND CORP STRIPS	04/15/2011	0.000%
76116EFC9	14,731,000.00	RESOLUTION FUND CORP STRIPS	07/15/2011	0.000%
76116EBV1	1,248,000.00	RESOLUTION FUND CORP STRIPS	10/15/2011	0.000%
76116EFD7	8,457,000.00	RESOLUTION FUND CORP STRIPS	01/15/2012	0.000%
76116EBW9	1,248,000.00	RESOLUTION FUND CORP STRIPS	04/15/2012	0.000%
76116EFE5	11,418,000.00	RESOLUTION FUND CORP STRIPS	07/15/2012	0.000%
76116EBX7	1,248,000.00	RESOLUTION FUND CORP STRIPS	10/15/2012	0.000%
76116EFF2	7,790,000.00	RESOLUTION FUND CORP STRIPS	01/15/2013	0.000%
76116EBY5	2,998,000.00	RESOLUTION FUND CORP STRIPS	04/15/2013	0.000%
76116EFG0	29,895,000.00	RESOLUTION FUND CORP STRIPS	07/15/2013	0.000%
76116EBZ2	1,187,000.00	RESOLUTION FUND CORP STRIPS	10/15/2013	0.000%
76116EFH8	7,418,000.00	RESOLUTION FUND CORP STRIPS	01/15/2014	0.000%
76116ECA6	2,687,000.00	RESOLUTION FUND CORP STRIPS	04/15/2014	0.000%
76116EFJ4	31,241,000.00	RESOLUTION FUND CORP STRIPS	07/15/2014	0.000%
76116ECB4	2,634,000.00	RESOLUTION FUND CORP STRIPS	10/15/2014	0.000%
76116EFK1	9,085,000.00	RESOLUTION FUND CORP STRIPS	01/15/2015	0.000%
76116ECC2	1,086,000.00	RESOLUTION FUND CORP STRIPS	04/15/2015	0.000%
76116EFL9	23,735,000.00	RESOLUTION FUND CORP STRIPS	07/15/2015	0.000%

CUSIP	Par	Description	Maturity	Coupon
76116ECD0	\$1,086,000.00	RESOLUTION FUND CORP STRIPS	10/15/2015	0.000%
76116EFM7	5,521,000.00	RESOLUTION FUND CORP STRIPS	01/15/2016	0.000%
76116ECE8	1,085,000.00	RESOLUTION FUND CORP STRIPS	04/15/2016	0.000%
76116EFN5	21,833,000.00	RESOLUTION FUND CORP STRIPS	07/15/2016	0.000%
76116ECF5	7,486,000.00	RESOLUTION FUND CORP STRIPS	10/15/2016	0.000%
76116EFP0	7,302,000.00	RESOLUTION FUND CORP STRIPS	01/15/2017	0.000%
76116ECG3	14,877,000.00	RESOLUTION FUND CORP STRIPS	04/15/2017	0.000%
76116EFQ8	35,159,000.00	RESOLUTION FUND CORP STRIPS	07/15/2017	0.000%
76116ECH1	300,000.00	RESOLUTION FUND CORP STRIPS	10/15/2017	0.000%
76116EFR6	15,538,000.00	RESOLUTION FUND CORP STRIPS	01/15/2018	0.000%
76116ECJ7	300,000.00	RESOLUTION FUND CORP STRIPS	04/15/2018	0.000%
76116EFS4	25,294,000.00	RESOLUTION FUND CORP STRIPS	07/15/2018	0.000%
76116ECK4	10,300,000.00	RESOLUTION FUND CORP STRIPS	10/15/2018	0.000%
76116EFT2	32,255,000.00	RESOLUTION FUND CORP STRIPS	01/15/2019	0.000%
76116EFU9	21,907,000.00	RESOLUTION FUND CORP STRIPS	07/15/2019	0.000%
76116EFV7	518,000.00	RESOLUTION FUND CORP STRIPS	01/15/2020	0.000%

Terms of the Bonds

\$176,905,000
SPECIAL OBLIGATION BONDS, SERIES A

Interest Payment Dates: February 15 and August 15,
commencing February 15, 2005

\$54,595,000 3.40% Term Bonds Due August 15, 2008

\$122,310,000 4.76% Term Bonds Due August 15, 2019

\$234,320,000
SPECIAL OBLIGATION BONDS, SERIES B

Interest Payment Dates: April 1 and October 1,
commencing April 1, 2005

\$109,735,000 3.51% Term Bonds Due October 1, 2012

\$124,585,000 4.93% Term Bonds Due April 1, 2020

\$87,620,000
SPECIAL OBLIGATION BONDS, SERIES C

Interest Payment Dates: June 1 and December 1,
commencing June 1, 2005

\$46,700,000 3.26% Term Bonds Due December 1, 2007

\$40,920,000 4.87% Term Bonds Due December 1, 2018

Form of Series A Bond**REGISTERED
NUMBER****REGISTERED
\$****Fiscal Year 2005 Securitization Corporation****Special Obligation Bond, Series A**[] **PER CENTUM (%) PER ANNUM****MATURITY DATE: August 15,****DATED: December 2, 2004****CUSIP****REGISTERED OWNER:****PRINCIPAL AMOUNT:****DOLLARS (\$)**

Fiscal Year 2005 Securitization Corporation (the "Corporation"), a local development corporation of the State of New York (the "State"), for value received promises to pay to the registered owner of this bond, on the payment date determined pursuant to the below-described Indenture, the principal amount hereof, with interest at the rate set forth above from December 2, 2004, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the Record Date immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on February 15 and August 15 of each year, beginning February 15, 2005, and at the date of payment of principal, as set forth herein, by wire transfer, at the discretion of the Corporation, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Corporation as maintained by HSBC Bank USA, National Association, as trustee (the "Trustee"), as of the close of business on the Record Date immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Record Date is the last Business Day of the calendar month preceding an interest payment date, or such other date as may be determined pursuant to the Indenture.

This bond shall not be a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Corporation.

This bond is one of an issue of Bonds representing a borrowing of \$498,845,000 pursuant to an Indenture dated as of December 1, 2004, between the Corporation and the Trustee (as it

may be amended and supplemented, the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and of the rights, limitations of rights, duties, obligations and immunities of the Corporation, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions and interpretive rules given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

The Indenture provides that the Corporation will, and by its acceptance of a Bond or an interest therein, each holder of a Bond or an interest therein will be deemed to agree to, treat the Bonds as debt of the Corporation for federal income tax purposes.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Corporation (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable may be paid to the Corporation, and the holder of such bond shall thereafter look only to the Corporation as an unsecured creditor for the payment thereof.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and may not be converted into bearer bonds. The Corporation, the Trustee and the Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture.

The covenants of the Corporation with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed or discharged.

Neither the Directors of the Corporation nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reasons of the issuance hereof.

The Bonds of each Series and maturity shall be subject to redemption either in whole or in part, at the option of the Corporation, at any time, at a redemption price equal to the greater of (i) 100% of the principal amount thereof or (ii) the Discounted Value thereof, plus in either case, accrued interest thereon to the date of redemption. The Corporation may select amounts and maturities of Bonds of a particular Series for optional redemption at its sole discretion. All calculations and determinations relating to optional redemption, except as provided in the preceding sentence, will be made by a financial advisor selected by the Corporation.

“Discounted Value” means, with respect to each outstanding maturity of the Bonds of a particular Series to be redeemed, the sum of the amounts obtained by discounting all remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of

redemption) on such maturity from their respective scheduled payment dates to the applicable redemption date, at a yield (computed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months) equal to the applicable Discount Yield.

“Discount Yield” means, with respect to each maturity of the Bonds of a particular Series to be redeemed on a particular date, the Blended Treasury Yield determined with respect to the Bonds of such Series and maturity, plus 0.125% per annum. The Discount Yield will be calculated assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months.

“Blended Treasury Yield” means, with respect to the Bonds of a particular Series and maturity, the yield computed by the linear interpolation of two Market Treasury Yields such that the theoretical maturity that corresponds to the interpolated Market Treasury Yield equals the date that corresponds to the remaining average life of the Bonds of the Series and maturity to be redeemed. The first Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no later than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed; the second Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no earlier than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed.

“Market Treasury Yield” means that yield, assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months, which is equal to:

- (i) the yield for the applicable maturity of an actively traded U.S. Treasury security, reported, as of 11:00 a.m. on the Valuation Date on the display designated as “Page PX1” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities); or
- (ii) if the yield described in (i) above is not reported as of such time or the yield reported as of such time is not ascertainable, the most recent yield data for the applicable U.S. Treasury maturity index from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m., on the Valuation Date; or
- (iii) if the yields described in (i) and (ii) above are not reported as of such time or the yields reported as of such time are not ascertainable, the yield for the applicable maturity of an actively traded U.S. Treasury security shall be based upon the average of yield quotations for such security (after excluding the highest and lowest quotations) as of 3:30 p.m. on the Valuation Date received from no less than five primary dealers in U.S. government securities selected by the Corporation.

Each yield quotation for each actively traded U.S. Treasury security required in (i) and (iii) above shall be determined using the average of the bid and ask prices for that security.

“Valuation Date” means the third Business Day preceding the redemption date.

Upon direction by Officer’s Certificate, and subject to delivery of a Verification Report, the Trustee will apply money in the Collection Account to the optional redemption of Bonds or the purchase of Bonds for cancellation, but not with money required to pay Debt Service on Bonds not being so redeemed or purchased.

The principal amount of Bonds of a particular Series and maturity optionally redeemed or purchased for cancellation shall be credited *pro rata* to each remaining sinking fund installment for the Bonds of such Series and maturity as nearly as practicable in the proportion each such remaining sinking fund installment bears to the total outstanding amount of the Bonds of such Series and maturity, subject to the authorized denominations. The particular amounts to be credited to each such sinking fund installment shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

The Bonds of this Series are subject to mandatory sinking fund redemption, without premium, or payment at maturity on the dates and in the amounts set forth below.

<u>Date</u>	Series A Bonds Maturing on August 15, 2008	Series A Bonds Maturing on August 15, 2019
February 15, 2005	\$ 8,545,000	
August 15, 2005	3,230,000	
February 15, 2006	8,320,000	
August 15, 2006	6,105,000	
February 15, 2007	8,125,000	
August 15, 2007	5,935,000	
February 15, 2008	960,000	
August 15, 2008	13,375,000	
February 15, 2009		\$ 780,000
August 15, 2009		700,000
February 15, 2010		815,000
August 15, 2010		4,415,000
February 15, 2011		805,000
August 15, 2011		7,775,000
February 15, 2012		785,000
August 15, 2012		4,705,000
February 15, 2013		790,000
August 15, 2013		18,030,000
February 15, 2014		650,000
August 15, 2014		15,375,000
February 15, 2015		520,000
August 15, 2015		15,470,000
February 15, 2016		380,000
August 15, 2016		7,450,000
February 15, 2017		350,000
August 15, 2017		19,295,000

<u>Date</u>	<u>Series A Bonds Maturing on August 15, 2008</u>	<u>Series A Bonds Maturing on August 15, 2019</u>
February 15, 2018		\$ 175,000
August 15, 2018		11,980,000
February 15, 2019		110,000
August 15, 2019		10,955,000

When a Bond is to be redeemed prior to maturity, the Trustee shall give notice in the name of the Corporation, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and state that such Bonds will be redeemed at a designated office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with any appropriate provisions of the Indenture, to the registered owners of any Bonds which are to be redeemed, at their addresses shown on the registration books of the Corporation. Such notice may be waived by any Holder of Bonds to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond.

Any redemption of less than all of the Bonds of a particular Series and maturity shall be allocated among registered holders of the Bonds of such Series and maturity as nearly as practicable in proportion to the principal amounts of the Bonds of such Series and maturity owned by each registered holder, subject to the authorized denominations applicable to the Bonds. The particular Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate. So long as DTC or a successor securities depository is the sole registered holder of the Bonds, it is the Corporation's intent that redemption allocations made by DTC and the DTC participants and such other intermediaries that may exist between the Corporation and the beneficial owners be made in accordance with these same proportional provisions.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issue of Bonds of which this is one, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by the Constitution and laws of the State.

IN WITNESS WHEREOF, Fiscal Year 2005 Securitization Corporation has caused this bond to be executed in its name by its Vice President and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 2nd day of December, 2004.

FISCAL YEAR 2005 SECURITIZATION
CORPORATION

By: 
Name: Alan L. Anders
Title: Vice President

ATTEST:

SECRETARY

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in and issued in accordance with the Indenture.

HSBC BANK USA, NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Marcia Markowski
Title: Vice President

Authorized Officer

Date of Authentication:

Form of Series B Bond**REGISTERED
NUMBER****REGISTERED
\$****Fiscal Year 2005 Securitization Corporation****Special Obligation Bond, Series B****[] PER CENTUM (%) PER ANNUM****MATURITY DATE:****DATED: December 2, 2004****CUSIP****REGISTERED OWNER:****PRINCIPAL AMOUNT:****DOLLARS (\$)**

Fiscal Year 2005 Securitization Corporation (the "Corporation"), a local development corporation of the State of New York (the "State"), for value received promises to pay to the registered owner of this bond, on the payment date determined pursuant to the below-described Indenture, the principal amount hereof, with interest at the rate set forth above from December 2, 2004, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the Record Date immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on April 1 and October 1 of each year, beginning April 1, 2005, and at the date of payment of principal, as set forth herein, by wire transfer, at the discretion of the Corporation, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Corporation as maintained by HSBC Bank USA, National Association, as trustee (the "Trustee"), as of the close of business on the Record Date immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Record Date is the fifteenth day of the calendar month preceding an interest payment date, or such other date as may be determined pursuant to the Indenture.

This bond shall not be a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Corporation.

This bond is one of an issue of Bonds representing a borrowing of \$498,845,000 pursuant to an Indenture dated as of December 1, 2004, between the Corporation and the Trustee (as it

may be amended and supplemented, the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and of the rights, limitations of rights, duties, obligations and immunities of the Corporation, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions and interpretive rules given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

The Indenture provides that the Corporation will, and by its acceptance of a Bond or an interest therein, each holder of a Bond or an interest therein will be deemed to agree to, treat the Bonds as debt of the Corporation for federal income tax purposes.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Corporation (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable may be paid to the Corporation, and the holder of such bond shall thereafter look only to the Corporation as an unsecured creditor for the payment thereof.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and may not be converted into bearer bonds. The Corporation, the Trustee and the Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture.

The covenants of the Corporation with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed or discharged.

Neither the Directors of the Corporation nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reasons of the issuance hereof.

The Bonds of each Series and maturity shall be subject to redemption either in whole or in part, at the option of the Corporation, at any time, at a redemption price equal to the greater of (i) 100% of the principal amount thereof or (ii) the Discounted Value thereof, plus in either case, accrued interest thereon to the date of redemption. The Corporation may select amounts and maturities of Bonds of a particular Series for optional redemption at its sole discretion. All calculations and determinations relating to optional redemption, except as provided in the preceding sentence, will be made by a financial advisor selected by the Corporation.

“Discounted Value” means, with respect to each outstanding maturity of the Bonds of a particular Series to be redeemed, the sum of the amounts obtained by discounting all remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of

redemption) on such maturity from their respective scheduled payment dates to the applicable redemption date, at a yield (computed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months) equal to the applicable Discount Yield.

“Discount Yield” means, with respect to each maturity of the Bonds of a particular Series to be redeemed on a particular date, the Blended Treasury Yield determined with respect to the Bonds of such Series and maturity, plus 0.125% per annum. The Discount Yield will be calculated assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months.

“Blended Treasury Yield” means, with respect to the Bonds of a particular Series and maturity, the yield computed by the linear interpolation of two Market Treasury Yields such that the theoretical maturity that corresponds to the interpolated Market Treasury Yield equals the date that corresponds to the remaining average life of the Bonds of the Series and maturity to be redeemed. The first Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no later than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed; the second Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no earlier than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed.

“Market Treasury Yield” means that yield, assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months, which is equal to:

- (i) the yield for the applicable maturity of an actively traded U.S. Treasury security, reported, as of 11:00 a.m. on the Valuation Date on the display designated as “Page PX1” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities); or
- (ii) if the yield described in (i) above is not reported as of such time or the yield reported as of such time is not ascertainable, the most recent yield data for the applicable U.S. Treasury maturity index from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m., on the Valuation Date; or
- (iii) if the yields described in (i) and (ii) above are not reported as of such time or the yields reported as of such time are not ascertainable, the yield for the applicable maturity of an actively traded U.S. Treasury security shall be based upon the average of yield quotations for such security (after excluding the highest and lowest quotations) as of 3:30 p.m. on the Valuation Date received from no less than five primary dealers in U.S. government securities selected by the Corporation.

Each yield quotation for each actively traded U.S. Treasury security required in (i) and (iii) above shall be determined using the average of the bid and ask prices for that security.

“Valuation Date” means the third Business Day preceding the redemption date.

Upon direction by Officer’s Certificate, and subject to delivery of a Verification Report, the Trustee will apply money in the Collection Account to the optional redemption of Bonds or the purchase of Bonds for cancellation, but not with money required to pay Debt Service on Bonds not being so redeemed or purchased.

The principal amount of Bonds of a particular Series and maturity optionally redeemed or purchased for cancellation shall be credited *pro rata* to each remaining sinking fund installment for the Bonds of such Series and maturity as nearly as practicable in the proportion each such remaining sinking fund installment bears to the total outstanding amount of the Bonds of such Series and maturity, subject to the authorized denominations. The particular amounts to be credited to each such sinking fund installment shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

The Bonds of this Series are subject to mandatory sinking fund redemption, without premium, or payment at maturity on the dates and in the amounts set forth below.

<u>Date</u>	<u>Series B Bonds Maturing on October 1, 2012</u>	<u>Series B Bonds Maturing on April 1, 2020</u>
April 1, 2005	\$ 29,015,000	
October 1, 2005.....	15,750,000	
April 1, 2006	26,700,000	
October 1, 2006.....	15,080,000	
April 1, 2007	1,020,000	
October 1, 2007.....	1,040,000	
April 1, 2008	1,060,000	
October 1, 2008.....	1,075,000	
April 1, 2009	1,095,000	
October 1, 2009.....	4,795,000	
April 1, 2010	3,060,000	
October 1, 2010.....	1,035,000	
April 1, 2011	5,030,000	
October 1, 2011.....	985,000	
April 1, 2012	2,000,000	
October 1, 2012.....	995,000	
April 1, 2013		\$ 1,515,000
October 1, 2013.....		6,335,000
April 1, 2014		1,920,000
October 1, 2014.....		10,985,000
April 1, 2015		4,420,000
October 1, 2015.....		4,140,000
April 1, 2016		1,585,000
October 1, 2016.....		10,775,000
April 1, 2017		3,885,000
October 1, 2017.....		12,800,000

<u>Date</u>	<u>Series B Bonds Maturing on October 1, 2012</u>	<u>Series B Bonds Maturing on April 1, 2020</u>
April 1, 2018		\$ 13,180,000
October 1, 2018.....		11,360,000
April 1, 2019		30,855,000
October 1, 2019.....		10,325,000
April 1, 2020		505,000

When a Bond is to be redeemed prior to maturity, the Trustee shall give notice in the name of the Corporation, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and state that such Bonds will be redeemed at a designated office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with any appropriate provisions of the Indenture, to the registered owners of any Bonds which are to be redeemed, at their addresses shown on the registration books of the Corporation. Such notice may be waived by any Holder of Bonds to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond.

Any redemption of less than all of the Bonds of a particular Series and maturity shall be allocated among registered holders of the Bonds of such Series and maturity as nearly as practicable in proportion to the principal amounts of the Bonds of such Series and maturity owned by each registered holder, subject to the authorized denominations applicable to the Bonds. The particular Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate. So long as DTC or a successor securities depository is the sole registered holder of the Bonds, it is the Corporation's intent that redemption allocations made by DTC and the DTC participants and such other intermediaries that may exist between the Corporation and the beneficial owners be made in accordance with these same proportional provisions.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issue of Bonds of which this is one, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by the Constitution and laws of the State.

IN WITNESS WHEREOF, Fiscal Year 2005 Securitization Corporation has caused this bond to be executed in its name by its Vice President and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 2nd day of December, 2004.

FISCAL YEAR 2005 SECURITIZATION
CORPORATION

By: 
Name: Alan L. Anders
Title: Vice President

ATTEST:

SECRETARY

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in and issued in accordance with the Indenture.

HSBC BANK USA, NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Marcia Markowski
Title: Vice President

Authorized Officer

Date of Authentication:

Form of Series C Bond**REGISTERED
NUMBER****REGISTERED
\$****Fiscal Year 2005 Securitization Corporation****Special Obligation Bond, Series C****[] PER CENTUM (%) PER ANNUM****MATURITY DATE: December 1,****DATED: December 2, 2004****CUSIP****REGISTERED OWNER:****PRINCIPAL AMOUNT:****DOLLARS (\$)**

Fiscal Year 2005 Securitization Corporation (the "Corporation"), a local development corporation of the State of New York (the "State"), for value received promises to pay to the registered owner of this bond, on the payment date determined pursuant to the below-described Indenture, the principal amount hereof, with interest at the rate set forth above from December 2, 2004, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the Record Date immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on June 1 and December 1 of each year, beginning June 1, 2005, and at the date of payment of principal, as set forth herein, by wire transfer, at the discretion of the Corporation, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Corporation as maintained by HSBC Bank USA, National Association, as trustee (the "Trustee"), as of the close of business on the Record Date immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Record Date is the fifteenth day of the calendar month preceding an interest payment date, or such other date as may be determined pursuant to the Indenture.

This bond shall not be a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Corporation.

This bond is one of an issue of Bonds representing a borrowing of \$498,845,000 pursuant to an Indenture dated as of December 1, 2004, between the Corporation and the Trustee (as it

may be amended and supplemented, the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and of the rights, limitations of rights, duties, obligations and immunities of the Corporation, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions and interpretive rules given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

The Indenture provides that the Corporation will, and by its acceptance of a Bond or an interest therein, each holder of a Bond or an interest therein will be deemed to agree to, treat the Bonds as debt of the Corporation for federal income tax purposes.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Corporation (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable may be paid to the Corporation, and the holder of such bond shall thereafter look only to the Corporation as an unsecured creditor for the payment thereof.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and may not be converted into bearer bonds. The Corporation, the Trustee and the Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture.

The covenants of the Corporation with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed or discharged.

Neither the Directors of the Corporation nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reasons of the issuance hereof.

The Bonds of each Series and maturity shall be subject to redemption either in whole or in part, at the option of the Corporation, at any time, at a redemption price equal to the greater of (i) 100% of the principal amount thereof or (ii) the Discounted Value thereof, plus in either case, accrued interest thereon to the date of redemption. The Corporation may select amounts and maturities of Bonds of a particular Series for optional redemption at its sole discretion. All calculations and determinations relating to optional redemption, except as provided in the preceding sentence, will be made by a financial advisor selected by the Corporation.

“Discounted Value” means, with respect to each outstanding maturity of the Bonds of a particular Series to be redeemed, the sum of the amounts obtained by discounting all remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of

redemption) on such maturity from their respective scheduled payment dates to the applicable redemption date, at a yield (computed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months) equal to the applicable Discount Yield.

“Discount Yield” means, with respect to each maturity of the Bonds of a particular Series to be redeemed on a particular date, the Blended Treasury Yield determined with respect to the Bonds of such Series and maturity, plus 0.125% per annum. The Discount Yield will be calculated assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months.

“Blended Treasury Yield” means, with respect to the Bonds of a particular Series and maturity, the yield computed by the linear interpolation of two Market Treasury Yields such that the theoretical maturity that corresponds to the interpolated Market Treasury Yield equals the date that corresponds to the remaining average life of the Bonds of the Series and maturity to be redeemed. The first Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no later than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed; the second Market Treasury Yield shall be based on an actively traded U.S. Treasury security or U.S. Treasury index whose maturity is closest to but no earlier than the date corresponding to the remaining average life of the Bonds of the Series and maturity to be redeemed.

“Market Treasury Yield” means that yield, assuming semi-annual compounding based upon a 360-day year consisting of twelve 30-day months, which is equal to:

- (i) the yield for the applicable maturity of an actively traded U.S. Treasury security, reported, as of 11:00 a.m. on the Valuation Date on the display designated as “Page PX1” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities); or
- (ii) if the yield described in (i) above is not reported as of such time or the yield reported as of such time is not ascertainable, the most recent yield data for the applicable U.S. Treasury maturity index from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m., on the Valuation Date; or
- (iii) if the yields described in (i) and (ii) above are not reported as of such time or the yields reported as of such time are not ascertainable, the yield for the applicable maturity of an actively traded U.S. Treasury security shall be based upon the average of yield quotations for such security (after excluding the highest and lowest quotations) as of 3:30 p.m. on the Valuation Date received from no less than five primary dealers in U.S. government securities selected by the Corporation.

Each yield quotation for each actively traded U.S. Treasury security required in (i) and (iii) above shall be determined using the average of the bid and ask prices for that security.

“Valuation Date” means the third Business Day preceding the redemption date.

Upon direction by Officer’s Certificate, and subject to delivery of a Verification Report, the Trustee will apply money in the Collection Account to the optional redemption of Bonds or the purchase of Bonds for cancellation, but not with money required to pay Debt Service on Bonds not being so redeemed or purchased.

The principal amount of Bonds of a particular Series and maturity optionally redeemed or purchased for cancellation shall be credited *pro rata* to each remaining sinking fund installment for the Bonds of such Series and maturity as nearly as practicable in the proportion each such remaining sinking fund installment bears to the total outstanding amount of the Bonds of such Series and maturity, subject to the authorized denominations. The particular amounts to be credited to each such sinking fund installment shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

The Bonds of this Series are subject to mandatory sinking fund redemption, without premium, or payment at maturity on the dates and in the amounts set forth below.

<u>Date</u>	<u>Series C Bonds Maturing on December 1, 2007</u>	<u>Series C Bonds Maturing on December 1, 2018</u>
June 1, 2005	\$ 990,000	
December 1, 2005	19,060,000	
June 1, 2006	675,000	
December 1, 2006	18,750,000	
June 1, 2007	360,000	
December 1, 2007	6,865,000	
June 1, 2008		\$ 250,000
December 1, 2008		260,000
June 1, 2009		265,000
December 1, 2009		270,000
June 1, 2010		275,000
December 1, 2010		285,000
June 1, 2011		290,000
December 1, 2011		300,000
June 1, 2012		305,000
December 1, 2012		310,000
June 1, 2013		2,070,000
December 1, 2013		310,000
June 1, 2014		1,815,000
December 1, 2014		1,810,000
June 1, 2015		305,000
December 1, 2015		310,000
June 1, 2016		320,000
December 1, 2016		6,725,000
June 1, 2017		14,280,000
December 1, 2017		55,000

<u>Date</u>	<u>Series C Bonds Maturing on December 1, 2007</u>	<u>Series C Bonds Maturing on December 1, 2018</u>
June 1, 2018		\$ 55,000
December 1, 2018		10,055,000

When a Bond is to be redeemed prior to maturity, the Trustee shall give notice in the name of the Corporation, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and state that such Bonds will be redeemed at a designated office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with any appropriate provisions of the Indenture, to the registered owners of any Bonds which are to be redeemed, at their addresses shown on the registration books of the Corporation. Such notice may be waived by any Holder of Bonds to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond.

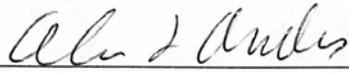
Any redemption of less than all of the Bonds of a particular Series and maturity shall be allocated among registered holders of the Bonds of such Series and maturity as nearly as practicable in proportion to the principal amounts of the Bonds of such Series and maturity owned by each registered holder, subject to the authorized denominations applicable to the Bonds. The particular Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate. So long as DTC or a successor securities depository is the sole registered holder of the Bonds, it is the Corporation's intent that redemption allocations made by DTC and the DTC participants and such other intermediaries that may exist between the Corporation and the beneficial owners be made in accordance with these same proportional provisions.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issue of Bonds of which this is one, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by the Constitution and laws of the State.

IN WITNESS WHEREOF, Fiscal Year 2005 Securitization Corporation has caused this bond to be executed in its name by its Vice President and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 2nd day of December, 2004.

FISCAL YEAR 2005 SECURITIZATION
CORPORATION

By: 
Name: Alan L. Anders
Title: Vice President

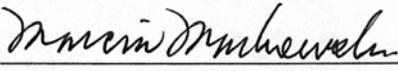
ATTEST:

SECRETARY

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in and issued in accordance with the Indenture.

HSBC BANK USA, NATIONAL ASSOCIATION,
as Trustee

By: 

Name: Marcia Markowski

Title: Vice President

Authorized Officer

Date of Authentication:

Application of Bond Proceeds

To the Escrow Holder in exchange for the Initial Investments on December 2, 2004	\$ 447,118,337.01
To the Cost of Issuance Account on December 2, 2004	48,202,151.25
From the Cost of Issuance Account to the order of the City on November 2, 2005	48,505,442.94

Form of Approving Opinion

SIDLEY AUSTIN BROWN & WOOD LLP

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SAN FRANCISCO
SHANGHAI
SINGAPORE
TOKYO
WASHINGTON, D.C.

December 2, 2004

Fiscal Year 2005 Securitization Corporation

We have acted as transaction counsel to Fiscal Year 2005 Securitization Corporation (the “Corporation”), a corporation organized under the laws of the State of New York (the “State”), in the Corporation’s issuance of its Special Obligation Bonds, Series A, B and C (the “Bonds”). The Bonds are being issued pursuant to an Indenture dated as of December 1, 2004 (the “Indenture”), between the Corporation and HSBC Bank USA, National Association, as Trustee. The Bonds are dated, bear interest, mature, are subject to redemption and are secured as set forth in the Indenture. We have reviewed such documents, certificates and other matters to the extent we deemed necessary to render the opinions set forth herein. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications furnished to us without undertaking to verify the same by independent investigation. We have assumed, but not independently verified, that all signatures on documents we reviewed are genuine. We assume the Corporation will perform its covenants in the Indenture in all material respects.

Based on the foregoing and our examination of existing constitutional, statutory and decisional law, we are of the opinion that:

1. The Corporation is duly organized and existing under the laws of the State, and is authorized under the laws of the State to enter into the Indenture and to issue the Bonds.
2. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Corporation, (b) creates the valid pledge of and security interest in the revenues and other collateral (collectively, the “Trust Estate”) that it purports to create and (c) is a valid and binding agreement of the Corporation, enforceable in accordance with its terms. All action has been taken as is necessary to perfect such pledge and security interest in the Trust Estate as it exists on the date hereof and such perfected pledge and security interest constitutes a first priority pledge and security interest, subject only to the application of the Trust Estate in accordance with the Indenture.

3. The Bonds have been duly authorized, executed, and delivered by the Corporation and are valid and binding obligations of the Corporation payable from the sources specified in the Indenture. The Bonds do not constitute a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Corporation.

The rights of the holders of the Bonds and the enforceability thereof and of the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and to general principles of equity.

Our opinion in paragraph 2 is subject to the following assumptions, limitations, qualifications and exceptions:

a. we have assumed that there are no claims or liens on the Trust Estate in favor of any governmental entity or any agency or instrumentality thereof (including federal tax liens and liens arising under Title IV of the Employee Retirement Income Security Act of 1974, as amended);

b. we call to your attention that Section 552 of the Bankruptcy Code limits the extent to which property acquired by a debtor after the commencement of a case under the Bankruptcy Code may be subject to a security interest arising from a security agreement entered into by the debtor before the commencement of such case; and

c. we call to your attention that the security interest of the Trustee in collateral consisting of proceeds is limited to the extent set forth in Section 9-315 of the Uniform Commercial Code of the State.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur and we have no obligation to update this opinion in light of such actions or events.